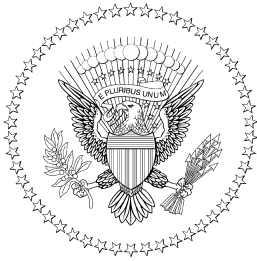


Weekly Compilation of
**Presidential
Documents**



Monday, January 31, 2005
Volume 41—Number 4
Pages 81–120

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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Week Ending Friday, January 28, 2005

**Message on the Observance of
Eid al-Adha**

January 21, 2005

I send greetings to Muslims around the world as you celebrate Eid al-Adha.

Abraham's sacrifice and service to God teach us the importance of devotion, and God's mercy encourages us to share His blessings with others. The kindness and charity practiced by Muslims during this holiday strengthen friendships, help those in need, and exemplify the compassionate spirit that makes America and the world a better place.

As Americans of Muslim faith celebrate Eid al-Adha, our Nation is reminded of the contributions that Muslim Americans have made to our religious and cultural heritage. Your values of family, service, and community enrich our society and reflect the ideals on which our country was founded.

Laura joins me in sending our best wishes for a joyous celebration.

George W. Bush

NOTE: An original was not available for verification of the content of this message. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

January 22, 2005

Good morning. My fellow Americans, earlier this week I had the honor of taking, for the second time, the oath of office as your President. The Inaugural ceremony is simple, yet its meaning is profound. Every 4 years, the American people hold an Inauguration to reaffirm our faith in liberty and to celebrate the democratic institutions that preserve it. To place one's hand on the Bible and swear the oath is a humbling experience and a reminder of the high trust and great responsibility that the Presidency brings. With deep appreciation for your support and

mindful of the challenges and opportunities that lie ahead, I'm eager to begin the work of a new term.

In the years since I first swore to preserve, protect, and defend our Constitution, our Nation has been tested. Our enemies have found America more than equal to the task. In response to attacks on our home soil, we have captured or killed terrorists across the Earth. We have taken unprecedented steps to secure our homeland from future attacks, and our troops have liberated millions from oppression.

At home, thanks to progrowth policies and the hard work of the American people, we overcame a recession and created over 2 million new jobs in the past year alone. Now we move forward. We remain in a war the United States will continue to lead, fighting terrorists abroad so we do not have to face them here at home. We will strive to keep the world's most dangerous weapons out of the hands of terrorists and tyrants. And our Nation will stand by the peoples of Afghanistan and Iraq as they build free and democratic societies in their own lands because when America gives its word, America must keep its word.

As I stated in my Inaugural Address, our security at home increasingly depends on the success of liberty abroad. So we will continue to promote freedom, hope, and democracy in the broader Middle East and, by doing so, defeat the despair, hopelessness, and resentments that feed terror.

At home too we will expand freedom. We will continue to bring high standards and accountability to our public schools so that every child can learn. We will transform our retirement and health systems, reform the legal system, and simplify the Tax Code so that all Americans enjoy the dignity and independence that comes from ownership. In this ownership society, every citizen will have a real stake in the promise of America, and our most valued institutions will be better

prepared to meet the new challenges of a new time.

This week, Washington has been marked by pomp and circumstance. In a free nation, these ceremonies are more than pageantry. They underscore that public office is a public trust. America's elected leaders derive their authority from the consent of the American people, whom we serve. This is a high privilege, and that privilege carries a serious responsibility, to confront problems now instead of passing them on to future generations.

As long as I hold this office, I promise that I will serve all Americans and will work to promote the unity of our great Nation. And working together, we will secure the blessings of liberty, not only for ourselves but for generations of Americans to come.

Thank you for listening.

NOTE: The address was recorded at 8:30 a.m. on January 21 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 22. The transcript was made available by the Office of the Press Secretary on January 21 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on the Death of Johnny Carson

January 23, 2005

Laura and I are saddened by the death of Johnny Carson. Born in Iowa and raised in Nebraska, Johnny Carson was a steady and reassuring presence in homes across America for three decades. His wit and insight made Americans laugh and think and had a profound influence on American life and entertainment. He was a patriot who served in the United States Navy during World War II and always remembered his roots in the heartland of America. We send our prayers and condolences to the entire Carson family.

Telephone Remarks to the March for Life

January 24, 2005

Nellie, thank you. Thanks a lot for inviting me to speak. I know it's chilly there in Washington, but weather hasn't stopped thousands of participants from marching for life for the past 32 years, and it did not this year, either. And so I'm honored to be a part of this tremendous witness that is taking place in our Nation's Capital, and it's good to hear your voice again.

You know, we come from many backgrounds—different backgrounds, but what unites us is our understanding that the essence of civilization is this: The strong have a duty to protect the weak.

I appreciate so very much your work toward building a culture of life, a culture that will protect the most innocent among us and the voiceless. We are working to promote a culture of life, to promote compassion for women and their unborn babies. We know that in a culture that does not protect the most dependent, the handicapped, the elderly, the unloved, or simply inconvenient become increasingly vulnerable.

The America of our dreams, where every child is welcomed in law—in life and protected in law may still be some ways away, but even from the far side of the river, Nellie, we can see its glimmerings. We're making progress in Washington. I've been working with Members of the Congress to pass good, solid legislation that protects the vulnerable and promotes the culture of life. I've signed into law a ban on partial-birth abortion. Infants who are born despite an attempted abortion are now protected by law. So are nurses and doctors who refused to be any part of an abortion. And prosecutors can now charge those who harm or kill a pregnant woman with harming or killing her unborn child.

We're also moving ahead in terms of medicine and research to make sure that the gifts

of science are consistent with our highest values of freedom, equality, family, and human dignity. We will not sanction the creation of life only to destroy it.

What I'm saying now is we're making progress, and this progress is a tribute to your perseverance and to the prayers of the people. I want to thank you especially for the civil way that you have engaged one of America's most contentious issues. I encourage you to take heart from our achievements, because a true culture of life cannot be sustained solely by changing laws. We need, most of all, to change hearts. And that is what we're doing, seeking common ground where possible and persuading increasing numbers of our fellow citizens of the rightness of our cause.

This is the path to the culture of life that we seek for our country. And on its coldest days and one of our coldest days, I encourage you to take warmth and comfort from our history, which tells us that a movement that appeals to the noblest and most generous instincts of our fellow Americans and that is based on a sacred promise enshrined in our founding document, that this movement will not fail.

And so on this day of compassion, where warm hearts are confronting the cold weather, I ask that God bless you for your dedication, and may God continue to bless our great country. And thank you for letting me share this moment with you, Nellie.

NOTE: The President spoke at 12:11 p.m. from Camp David, MD, to march participants at the Ellipse in Washington, DC. In his remarks, he referred to Nellie J. Gray, president, March for Life Education and Defense Fund.

Statement on the Supplemental Budget Request

January 25, 2005

When we decided to protect America from a gathering threat by removing Saddam Hussein from power, I made two fundamental pledges: First, our troops will have whatever they need to protect themselves and complete their mission; and second, the United States will stand with the Iraqi people and against the terrorists trying desperately to

block democracy and the advance of human rights.

This supplemental budget request will fulfill these important pledges and again makes clear to terrorists that our resolve is firm and we will complete our mission.

Most of these funds will support American troops on the ground by continuing to provide them with the equipment and other supplies they need. The request also provides for the continued pursuit of Al Qaida and other terrorist elements in Afghanistan and elsewhere, while supporting the great progress Afghanistan has made toward joining the community of free nations. And resources are included to accelerate efforts to train and equip Iraqi and Afghan forces so they can assume greater responsibility for their own security.

The supplemental also includes funding for other important priorities of American foreign policy, such as helping the Palestinian people build a democratic state, improving the economic and humanitarian situation of the Palestinian people, and bridging differences between Israelis and Palestinians.

I am grateful that Congress, in a strong bipartisan fashion, has consistently voted to support our troops, and I urge it to do so again.

NOTE: The Office of the Press Secretary also released a Spanish language version of this statement.

Proclamation 7865—60th Anniversary of the Liberation of the Auschwitz Concentration Camp, 2005

January 25, 2005

By the President of the United States of America

A Proclamation

At the Auschwitz concentration camp, evil found willing servants and innocent victims. For almost 5 years, Auschwitz was a factory for murder where more than a million lives were taken. It is a sobering reminder of the power of evil and the need for people to oppose evil wherever it exists. It is a reminder

that when we find anti-Semitism, we must come together to fight it.

In places like Auschwitz, evidence of the horror of the Holocaust has been preserved to help the world remember the past. We must never forget the cruelty of the guilty and the courage of the victims at Auschwitz and other Nazi concentration camps.

During the Holocaust, evil was systematic in its implementation and deliberate in its destruction. The 60th anniversary of the liberation of Auschwitz is an opportunity to pass on the stories and lessons of the Holocaust to future generations. The history of the Holocaust demonstrates that evil is real, but hope endures.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim January 27, 2005, as the 60th anniversary of the Liberation of the Auschwitz Concentration Camp. I call upon all Americans to observe this occasion with appropriate ceremonies and programs to honor the victims of Auschwitz and the Holocaust. May God bless their memory and their families, and may we always remember.

In Witness Whereof, I have hereunto set my hand this twenty-fifth day of January, in the year of our Lord two thousand five, and of the Independence of the United States of America the two hundred and twenty-ninth.

George W. Bush

[Filed with the Office of the Federal Register, 9:58 a.m., January 27, 2005]

NOTE: This proclamation was published in the *Federal Register* on January 31.

The President's News Conference

January 26, 2005

The President. Good morning. With the second term underway and a new Congress at work, we're moving forward on great goals for our country. In my Inaugural Address I renewed this Nation's commitment to expanding liberty at home and promoting liberty abroad.

Because our own freedom is enhanced by the expansion of freedom in other nations,

I set out the long-term goal of ending tyranny in our world. This will require the commitment of generations, but we're seeing much progress in our own time. In late 2004, the people of Afghanistan defied the threats of terrorists and went to the polls to choose their leaders. The Palestinian people have elected a President who has renounced violence. This week, Ukraine inaugurated a new President, President Yushchenko. And just 4 days from now, the people of Iraq will vote in free national elections.

Terrorists in that country have declared war against democracy, itself, and thereby declared war against the Iraqi people, themselves. Yet the elections will go forward. Millions of Iraqi voters will show their bravery, their love of country, and their desire to live in freedom. Across the world, freedom has deadly enemies, yet across the world, freedom has great and growing momentum.

There has been enormous sacrifices made by some of our citizens in the spread of freedom. Families suffer as the result of the loss of a loved one. We continue to offer our condolences and prayers for those who do suffer. We'll honor the memories of their loved ones by completing our missions.

Next week, I will report to Congress on the State of the Union and describe in more detail a legislative agenda to serve the goals I have outlined. I will ask the House and Senate to act soon on the issue of Social Security, so that we don't pass a bankrupt system on to our children and our grandchildren. I'm open to good ideas from Members of Congress. I'll work with both parties to get results. Any solution must confront the problem fully and directly by making the system permanently solvent and providing the option of personal accounts.

For this new term, I've assembled an exceptional Cabinet, and several members are taking office this week. In addition to speedy action on all my nominees, I especially urge the Senate to confirm Condoleezza Rice today and to promptly act and confirm Judge Al Gonzales.

We have a full agenda. I'm looking forward to the work ahead. And now I'm looking forward to answering some of your questions. Terry [Terence Hunt, Associated Press].

Upcoming Iraqi Elections

Q. Mr. President, the insurgents in Iraq are threatening to kill anyone who comes out to vote on Sunday. Do you think they'll succeed in killing or scaring away enough people so that the elections will be rendered seriously flawed or not credible?

The President. We anticipate a lot of Iraqis will vote. Clearly, there are some who are intimidated. Surveys show that the vast majority of people do want to participate in democracy, and some are feeling intimidated. I urge all people to vote. I urge people to defy these terrorists. These terrorists are—do not have the best interests of the Iraqi people in mind. They have no positive agenda. They have no clear view of a better future. They're afraid of a free society.

I am impressed by the bravery of the Iraqi citizens. I am heartened by the strong words of Prime Minister Allawi. I talked to him yesterday on the phone. He is determined to lead his country forward into the elections. I appreciate the hard work of the United Nations, which is providing good leadership on the ground. And I anticipate a grand moment in Iraqi history. If we'd been having this discussion a couple of years ago and I'd have stood up in front of you and said the Iraqi people would be voting, you would look at me like some of you still look at me, with a kind of blank expression. People are voting, and this is a part of a process, to write a constitution and then elect a permanent assembly. And it's exciting times for the Iraqi people.

Steve [Steve Holland, Reuters].

Q. Can I ask a followup, sir? What would be a credible turnout number?

The President. The fact that they're voting, in itself, is successful. Again, this is a long process. It is a process that will begin to write a constitution and then elect a permanent assembly. And this process will take place over this next year. It is a grand moment for those who believe in freedom.

Foreign Policy Goals in Inaugural Address

Q. Sir, your Inaugural Address has been interpreted as a new, aggressive posture against certain countries, in particular Iran. Should we view it that way?

The President. My Inaugural Address reflected the policies of the past 4 years that said—that we're implementing in Afghanistan and Iraq, and it talked about a way forward. I think America is at its best when it leads toward an ideal, and certainly, a world without tyranny is an ideal world. The spread of freedom is important for future generations of Americans. I firmly believe that free societies are peaceful societies, and I believe every person desires to be free. And so I look forward to leading the world in that direction for the next 4 years.

Q. Do you see it as a policy shift?

The President. No, as I said, it reflects the policy of the past, but it sets a bold new goal for the future. And I believe this country is best when it heads toward an ideal world. We are at our best. And in doing so, we're reflecting universal values and universal ideas that honor each man and woman, that recognize human rights and human dignity depends upon human liberty. And it's—I'm looking forward to the challenge, and I'm looking forward to reaching out to our friends and allies to convince them of the necessity to continue to work together to help liberate people.

Yes, Terry [Terry Moran, ABC News].

Arrest in Jordan/Human Rights

Q. Mr. President, let me take you up on that, if I may. Last month in Jordan, a gentleman named Ali Hattar was arrested after delivering a lecture called "Why We Boycott America." He was charged under section 191 of their penal code for slander of Government officials. He stood up for democracy, you might say. And I wonder if here and now, you will specifically condemn this abuse of human rights by a key American ally. And if you won't, sir, then what, in a practical sense, do your fine words mean?

The President. I am unaware of the case. You've asked me to comment on something that I didn't know took place. I urge my friend His Majesty to make sure that democracy continues to advance in Jordan. I noticed today that he put forth a reform that will help more people participate in future governments of Jordan. I appreciate His Majesty's understanding of the need for democracy to advance in the greater Middle East.

We visited with him at the G-8, and he has been a strong advocate of the advance of freedom and democracy.

Now—let me finish. Obviously, we're discussing a process. As I said in my speech, not every nation is going to immediately adopt America's vision of democracy, and I fully understand that. But we expect nations to adopt the values inherent in a democracy, which is human rights and human dignity, that every person matters and every person ought to have a voice. And His Majesty is making progress toward that goal.

I can't speak specifically to the case. You're asking me to speak about a case that I don't know the facts.

Q. Fair enough. If I could just follow up. Will you then—does your Inaugural Address mean that when it comes to people like Mr. Hattar, you won't compromise because of a U.S. ally, and you will stand—

The President. Again, I don't know the facts, Terry. You're asking me to comment on something; I do not know the facts. Perhaps you're accurate in your description of the facts, but I have not seen those facts. Now, nevertheless, we have spoken out in the past and we'll continue to speak out for human rights and human dignity and the right for people to express themselves in the public square.

Secretary of State-Designate Rice

Q. Mr. President, in the debate over Dr. Rice's confirmation, Democrats came right out and accused you and the administration of lying in the runup to the war in Iraq. Republicans, in some cases, conceded that mistakes have been made. Now that the election is over, are you willing to concede that any mistakes were made? And how do you feel about—

The President. Let me talk about Dr. Rice—you asked about her confirmation. Dr. Rice is an honorable, fine public servant who needs to be confirmed. She will be a great Secretary of State. And Dr. Rice and I look forward to moving forward. We look forward to working to make sure the Iraqis have got a democracy. We look forward to continuing to make sure Afghanistan is as secure as possible from potential Taliban resurgence. We look forward to spreading freedom around

the world. And she is going to make a wonderful Secretary of State.

Q. No reaction to the lying? No reaction? [Laughter]

The President. Is that your question? The answer is no.

Next.

U.S. Super Stallion Helicopter Crash in Iraq

Q. I'd like to ask you—sir, I'd like to ask you about the deficit. But before I do that, there is a developing story this morning—the helicopter crash in Iraq. Can you tell us what you know about that, what may have caused it, and your reaction to it?

The President. I know that it's being investigated by the Defense Department. And obviously, any time we lose life, it is a sad moment.

Q. Don't know whether it was weather-related or not—

The President. Not yet. I've heard rumors, but I'll wait 'til the facts.

Taxes/Federal Deficit

Q. You're preparing to ask Congress for an additional \$80 billion in war spending in Afghanistan and Iraq. The White House is also prepared to predict a budget deficit of \$427 billion for this year. You talk about sacrifice in this country. Do you think that you're really asking Americans to sacrifice financially when you're asking them to fund the war, yet, at the same time, perhaps pay an exorbitant amount to set up private accounts in Social Security, pay for a prescription drug benefit, as well as other spending plans?

The President. So the—

Q. And tax cuts, to make those permanent? It's a lot of money.

The President. Okay, let me see if I can dissect your question into separate parts. First, Americans pay a lot of taxes. They pay tax at the Federal level. They pay tax at the State level. They pay tax at the local level. Americans do pay taxes.

Secondly, I made the commitment to our troops, we'll fund them. And that's exactly what we're doing. We've got people in harm's way; I look forward to working with Congress

to fund what is necessary to help those troops complete their mission.

Thirdly, we have presented a plan in the past, and we'll present one here next—earlier—later on this—in February that will show we will cut the deficit in half. And it's obviously going to require cooperation with the United States Congress to make some very difficult decisions when it comes to funding the budgets.

Fourthly, we not only were attacked and needed—therefore, needed to defend ourselves, we also had a recession. And I felt it was very important to reduce the tax burden on the American people to get out of the recession. In other words, we were dealing with twin problems. And because of the tax relief, our economy is growing forward.

Last year at this time, the projected budget was \$527 billion. You might remember that. It turned out that the budget was 412 billion for last year. Now the budget is projected to be at 427 billion. We look forward to working to hold the line with the United States Congress on spending. And as I say, I'll promote a package that will show the budget being cut in half over the next 5 years.

John [John King, Cable News Network].

War in Iraq

Q. Mr. President, I want to try another way to ask you about Iraq. When you made the decision to go to war in Iraq, you clearly had majority support in the country. A string of recent polls have shown a clear majority of the American people now believe it was a mistake to go to war in Iraq. You've asked for \$80 billion in more money on top of the billions already spent. The Army says that we'll probably have 100,000 or more troops in Iraq for at least another year. What would you say to the American people, including a significant number who supported you at the beginning of the war, who now say this is not what we were led to believe would happen?

The President. A couple of things, John. I'd say the world is better off without Saddam Hussein in power. A world with Saddam Hussein in power would have been a more dangerous world today. Secondly, that we're making progress in helping Iraq develop a democracy. And in the long term, our chil-

dren and grandchildren will benefit from a free Iraq.

In terms of troop levels, obviously we'll have the troop levels necessary to complete the mission. And that mission is to enable Iraq to defend herself from terrorists, home-grown or terrorists that come in from outside of the country. And so our mission is focused on not only an increase in the number of Iraqis in uniform, whether it be Army or National Guard or border patrol or police, but to make sure the quality of their ability to fight is enhanced. And so, over the next year we'll be advancing our plan to make sure the Iraqis are better prepared to defend themselves and to fight. There's been some really fine units that have been stood up so far, and obviously we want to make sure there are more units that are capable of fighting.

Listen, this problem will eventually be solved when the Iraqis take the initiative and the Iraqi people see Iraqi soldiers willing to defend them. And so—and the American people, when they see the Iraqis step up and begin to fight, will see progress being made toward an objective which will make this world a better place.

I don't want to rehash something that I'm sure you got tired of hearing me talk about on the campaign trail, but it is—the decisions we make today can affect how people live 30, 40, or 50 years from now. And I bring up, once again, my example about working with Prime Minister Koizumi of Japan. And it wasn't all that long ago that Japan was a bitter enemy. And today, because Japan is a democracy and a free country, the Japanese are strong allies with the United States of America, and we're better off for it.

And listen, the story today is going to be very discouraging to the American people. I understand that. We value life. And we weep and mourn when soldiers lose their life. And—but it is the long-term objective that is vital, and that is to spread freedom. Otherwise, the Middle East will be—will continue to be a caldron of resentment and hate, a recruiting ground for those who have this vision of the world that is the exact opposite of ours.

Carl [Carl Cameron, FOX News], welcome to the beat. Is everybody thrilled Carl is here?

Q. Yes. [*Laughter*]

Q. Thanks very much.

The President. Please express a little more enthusiasm for him. [*Laughter*]

Social Security

Q. A question on Social Security, if we may, sir. There has been, as you work forward to making final—your ultimate proposal, growing concern among Republicans on Capitol Hill. We had Chairman Thomas last week with some concern about the process, and Senator Olympia Snowe on the other side suggesting that she's concerned about an absentee—guaranteed benefit, excuse me. Are you prepared today to say that those who opt into a potential private account—personal account could in fact have a guaranteed benefit as well? And what do you say to Republicans who are beginning to worry?

The President. I am looking forward to working with both Republicans and Democrats to advance a plan that will permanently solve Social Security.

There is—I met yesterday with Members of the United States Senate. I'm meeting today with Members of the House of Representatives to discuss the need to work together to get a solution that will fix the problem. And here's the problem: The—as dictated by just math, there is—the system will be in the red in 13 years, and in 2042 the system will be broke. That's because people are living longer and the number of people paying into the Social Security trust is dwindling. And so, therefore, if you have a child—how old is your child, Carl?

Q. Fourteen years old.

The President. Yes, 14. Well, if she were—

Q. He, sir.

The President. He, excuse me. [*Laughter*] I should have done the background check. [*Laughter*] She will—when she gets ready to—when she's 50, the system will be broke, if my math is correct. In other words, if you have a child who is 25 years old, when that person gets near retirement, the system will be bankrupt. And therefore, it seems like to me—and if we wait, the longer we wait, the more expensive the solution. So therefore, now is the time to act.

And Social Security has been an issue that has made people nervous. I understand that. I mean, it's—people felt like it was the third rail of American politics. That means if you touch it, you will have—it will be political death. I have said to the American people that our job is to confront issues and not pass them on. And we have a serious issue with Social Security. The math shows that we have an issue, and now is the time to come together to solve it. And so—what you're hearing a little bit is whether or not it is worth the political price. I think it is. And I'm looking forward to leading the Congress, and I'm looking forward to taking the case to the American people.

I will begin—"begin"—I will continue that process with the State of the Union Address. And then I look forward to taking off shortly thereafter and traveling around the country discussing this issue, similar to what President Clinton did. President Clinton highlighted the issue as an issue that needed to be addressed and an issue that needed to be solved. He fully recognized, like I recognize, that it's going to require cooperation in the House and the Senate. And in anticipation of this moment, obviously—you might remember we brought together a distinguished group of our citizens to analyze the issue, and they came forth with some very interesting ideas.

As well it is very important for us to reassure the seniors that nothing changes. I fully understand the power of those who want to derail a Social Security agenda by scaring people. It's been a tactic for a long period of time by those who believe the status quo is acceptable. And so one of the things you'll hear me constantly doing is reminding our senior citizens that nothing will change and that we have a duty to act on behalf of their children and grandchildren.

David [David Sanger, New York Times], and then Baker [Peter Baker, Washington Post].

Foreign Policy Goals in Inaugural Address

Q. Mr. President, if I could return for a moment to your Inaugural Address. Dr. Rice referred in her testimony to "six outposts of tyranny," countries where we clearly, I think,

have a pretty good idea of your policies. What we're confused by right now, I think, or at least what I'm confused by, is how you deal with those countries like Russia, China, Saudi Arabia, with whom we have enormous broad interests. Should the leaders of those countries now be on notice that the primary measure of their relationship with the United States should be their progress toward liberty? Or can they rest assured that, in fact, you've got this broad agenda with them and you're willing to measure liberty up against what China does for you on North Korea, what Russia does for you in other areas?

The President. I don't think foreign policy is an either/or proposition. I think it is possible, when you're a nation like the United States, to be able to achieve both objectives—one objective, the practical objective of dealing, for example, as you mentioned, with North Korea. But I—in my meetings with Chinese leadership in the past and my meetings with Chinese leadership in the future, I will constantly remind them of the benefits of a society that honors their people and respects human rights and human dignity. I have—for example, in meetings with the Chinese in the past, I have brought up the Dalai Lama. I've brought up concerns of the Catholic Church. I have discussed my belief that a society that welcomes religious freedom is a wholesome and—religious freedom is a part of a wholesome society and an important part of a society.

Vladimir Putin—I have discussed with Vladimir Putin some of his decisions. I will continue—as you might remember in our meeting in Chile. I will continue to do so. I will remind him that if he intends to continue to look West, we in the West believe in Western values.

I—democracy is a—progress—you'll see progress toward a goal. There won't be instant democracy. And I remind people that our own country is a work in progress. We declared all people equal, and yet, all people weren't treated equally for a century. We said, "Everybody counts," but everybody didn't count.

And so I fully understand developing a democratic society in the—adhering to the traditions and customs of other nations will be a work in process. That's why I said we're

talking about the work of generations. And so in my talks, in my discussions with world leaders to solve the problem of the day, I will constantly remind them about our strong belief that democracy is the way forward.

Yes, Peter.

Promoting Democracy

Q. Mr. President, Dr. Rice—again quoting your future Secretary of State—wrote in *Foreign Affairs* magazine in 2000, outlining what a potential Bush administration foreign policy would be, talked about things like security interests, free trade pacts, confronting rogue nations, dealing with great powers like China and Russia, but promotion of democracy and liberty around the world was not a signature element of that prescription. I'm wondering what's changed since 2000 that has made this such an important element of your foreign policy.

The President. I'm the President. I set the course of this administration. I believe freedom is necessary in order to promote peace, Peter. I haven't seen the article you're referring to. I can assure you that Condi Rice agrees with me that it's necessary to promote democracy. I haven't seen the article. I didn't read the article. Obviously, it wasn't part of her job interview. [Laughter] Condi is a firm believer in democracy.

Yes, sir.

Social Security/Tax Reform

Q. Mr. President, Chairman Thomas and some others on the Hill have suggested taking up tax reform at the same time that you deal with Social Security reform and to consider alternatives, such as a value-added tax, to the current payroll tax for financing Social Security. Are you willing to consider combining those two big projects, or do you prefer to keep them on separate tracks?

The President. I look forward to working with the Congress to move the process forward. I appreciate people bringing forth ideas. I think it is a constructive part of the process. I'll have my own—I'll be a little more specific as time goes on and perhaps at the State of the Union, talking about how to—how I think we can have a real, long-term solution.

But I think it's constructive that Chairman Thomas, who will be charged with having a bill come out of the Ways and Means, is thinking creatively, is willing to figure out ways to bring people along. I am—and you'll find, as this process unfolds, that there will be a lot of different suggestions, some of them valid, some of them not valid. But the idea that people are bringing forth ideas is a really good sign.

The threshold question is, will Congress—is Congress willing to say we have a problem? We do have a problem. The math shows we have a problem. And now is the time to act on that problem. And once people realize there's a problem, then I believe there's an obligation for all sides to bring forth ideas. And that's what you're seeing with Chairman Thomas. And I appreciate that. I'm looking forward to my visit with him this afternoon.

Yes, sir.

Attorney General-Designate Gonzales

Q. Mr. President, I'd like to ask you about the Gonzales nomination and specifically about an issue that came up during it, your views on torture. You've said repeatedly that you do not sanction it; you would never approve it. But there are some written responses that Judge Gonzales gave to his Senate testimony that have troubled some people, and specifically his allusion to the fact that cruel, inhumane, and degrading treatment of some prisoners is not specifically forbidden so long as it's conducted by the CIA and conducted overseas. Is that a loophole that you approve?

The President. Listen, Al Gonzales reflects our policy, and that is, we don't sanction torture. He will be a great Attorney General, and I call upon the Senate to confirm him.

Social Security

Q. Mr. President, at the beginning of your remarks today you referred to two criteria that you're looking for on the Social Security fix, namely permanent solvency and personal accounts. Does that mean that you would be willing to consider some changes that might broaden the base of revenues for the system as a way of addressing solvency?

The President. I look forward to a fruitful discussion of all ideas, with the exception of raising the payroll tax.

Judy [Judy Keen, USA Today].

Director of National Intelligence

Q. Thank you, Mr. President. Sir, can you update us, please, on your search for a Director of National Intelligence? Are you having trouble finding the right person? And do you worry at all that the delay might suggest to some people that it's not a high priority for you?

The President. When the bill looked like it wasn't going to pass, we weighed in to get it passed, and we worked with members of both parties to get a bill out of the Congress. It's clearly a high priority. It is a priority for us to make sure that I get the very best intelligence in order to make wise decisions for the American people. And a search goes on to find the right person to handle this very sensitive position.

We're dealing with a brand new agency that is going to require a—somebody with extraordinary experience. And we're looking. And no one should read anything other than, we want to make sure we make the right choice.

Yes, ma'am.

Social Security

Q. Thank you, sir. Any—back on Social Security—any transition to personal accounts is estimated to cost between 1 to 2 trillion dollars over 10 years. Without talking about specific proposals, do you plan to borrow that money, or will you, when your plan comes out—

The President. You're asking me to talk about specific proposals. And I'm looking over—

Q. —will you be able to pay for it, though?

The President. Over the—I fully understand some people are concerned about whether or not this is affordable. And at the appropriate time, we'll address that aspect of reform. But personal accounts are very important in order to make sure that young workers have got a shot at coming close to that which the Government promises. They're also important because a personal

account, obviously under strict guidelines of investment, will yield a better rate of return over—than the money—the person's money is earning in the Social Security trust. And personal accounts will enable a worker to be able to pass on his or her ownings to whoever he or she chooses, which is an important part of promoting an ownership society. We want people to own and manage their own assets. After all, it is their own money.

And so it's a very important part, in my judgment, of reforming the system permanently. But there—I fully understand that accounts is not the only thing that will be necessary to make sure the system is permanently secure.

Ken [Ken Herman, Austin American-Statesman]. Welcome. Is this—let me ask you, are you here temporarily, permanently, and who do you represent?

Q. Well, that will be up to my wife, sir, as you well know.

The President. Yes, thank you.

Q. Mr. President, on Social Security, you say the math clearly shows—as you know, most of us became reporters because of our deep affection for math. If the math clearly shows it, why are you having so much trouble on the Hill getting some to share your urgency? Do you think they're looking at the numbers differently, honestly, or are they running from the third rail?

The President. Glad to have you here. [Laughter] I am going to continue to speak directly to the American people about this issue and remind them about the math and remind them that if you're a senior, nothing changes, and speak to the younger folks coming up about the forecasts. I mean, if you're a 20-year-old person and you look at the math, you realize that you will inherit a bankrupt system, which means either there will be significant benefit cuts or significant payroll tax increases in order to fund that which the Government has laid out for you as a part of your retirement. And the Congress tends to listen to the people. And so I will continue to speak to the people and, at the same time, reach out to members of both parties.

We have been through these kinds of questions before, in my early press conferences. I can remember—I can't remem-

ber exactly the questions, but I do remember the tone, about people saying, "How can you possibly get tax cuts through the Congress when so-and-so said that they shouldn't be done," or "Such-and-such said this," or "This report said that," or "The American people didn't want this." And so I am heartened by past experiences to believe that it is possible to do big things in Washington, DC. And I look forward to working with Members of the Congress to achieve big, notable reform.

Yes, Ken, followup. This is a home-boy followup.

Q. I seem to remember a time in Texas on another problem, taxes, where you tried to get out in front and tell people, "It's not a crisis now; it's going to be a crisis down the line." You went down in flames on that one. Why—

The President. Actually, I—if I might. [Laughter] I don't think a billion dollar tax relief that permanently reduced property taxes on senior citizens was "flames," but since you weren't a senior citizen, perhaps that's your definition of "flames."

Q. I never got my billion—

The President. Yes. Because you're not a senior citizen yet—acting like one, however. Go ahead. [Laughter]

Q. What is there about Government that makes it hard—

The President. Faulty memory. [Laughter]

Q. —to address things in advance, before it's a crisis?

The President. Do we have a crisis in Texas now on school property taxes?

Q. Yes, we do.

The President. Thank you.

Q. Are you going to put forward your own plan on Social Security, or not?

Q. Mr. President—

The President. Let's get some order here, please.

Q. Mr. President—

The President. April [April Ryan, American Urban Radio Networks]. *Abril*.

Iraq

Q. Thank you, Mr. President. First of all, I have two questions, one on Iraq. You say about the troop withdrawal—

The President. No, no, I said what?

Q. No, I'm going to the question—to the answer——

The President. I thought you said on troop withdrawal——

Q. I'm—yes, I'm talking about troop withdrawal. Don't mess me up, now. [*Laughter*]

You said in a response just now that it depends on the initiative of the Iraqis. Are you giving the Iraqis a timetable for what you're going to do with troop withdrawal and when?

The President. We will complete the mission as quickly as possible. And that mission of a secure and stable Iraq will be achieved when the Iraqis are fighting the former regime elements and people like Zarqawi. Therefore, the—it is important that we continue to press forward with proper training. Now, training means not just signing people up. Training means equipping and preparing them for tough fights as well as developing a chain of command. A good military requires a chain of command from top to bottom, so that orders and plans and strategies can be effected efficiently. And we have work to do there, and we will do the work.

Second question.

Race Relations/Civil Rights

Q. Second question, on race. You brought it up in the Inaugural Address, and yesterday and today you have black leaders here at the White House discussing issues of race. Yesterday you didn't discuss civil rights. But where are you in the second term as it relates to race in America?

The President. Civil rights is a good education. Civil rights is opportunity. Civil rights is homeownership. Civil rights is owning your own business. Civil rights is making sure all aspects of our society are open for everybody. And we discussed that yesterday. And I believe that what I said was important, that we've got to shed ourselves of bigotry if we expect to lead by example. And I'll do the very best I can as the President to make sure that the promise—and I believe in the promise of America—is available for everybody.

Let's see. Hold on for a second—Mark [Mark Knoller, CBS Radio]. The person who doesn't yell will be called on.

Armstrong Williams/Independent Press

Q. Mr. President, do you think it's a proper use of Government funds to pay commentators to promote your policies?

The President. No.

Q. Are you going to order that——

The President. Therefore, I will not pay you to—[*laughter*].

Q. Fair enough. Are you ordering that there be an end to that practice?

The President. Yes, I am. I expect my Cabinet Secretaries to make sure that that practice doesn't go forward. There needs to be independence. And Mr. Armstrong Williams admitted he made a mistake. And we didn't know about this in the White House, and there needs to be a nice, independent relationship between the White House and the press, the administration and the press. So, no, we shouldn't be going for it.

Yes, sir.

Q. Well, Mr. Williams made a mistake——

The President. Who?

Q. Mr. Williams made a mistake; did the Department of Education make a mistake?

The President. Yes. They did.

Q. What will happen to the people that made this decision?

The President. We've got new leadership going to the Department of Education. But all our Cabinet Secretaries must realize that we will not be paying commentators to advance our agenda. Our agenda ought to be able to stand on its own two feet. I'm confident you'll be, over the course of the next 4 years, willing to give our different policies an objective look—won't you? Yes, I can see that.

Yes, sir.

National Economy/Legislative Agenda

Q. Thank you. Senate Democratic leaders have painted a very bleak picture of the U.S. economy. Harry Reid was talking about soup lines, and Hillary Clinton was talking about the economy being on the verge of collapse. Yet, in the same breath, they say that Social Security is rock-solid and there's no crisis there. How are you going to work—you said you're going to reach out to these people—how are you going to work with people who

seem to have divorced themselves from reality?

The President. Continue to speak to the American people. Right after my State of the Union, I think I'm going to four or five States to continue to address this issue. You know, I can remember President Clinton doing the same thing on Social Security. I thought he was very effective in teeing up the issue, of making the case. And I will do the same thing.

There is a—in terms of whether the economy is growing or not, there is a—the jobs are increasing; the forecast looks strong. Obviously, there are some things we need to do to make sure that America is a good place to continue to risk capital and invest. That's why I'm urging the Congress to pass legal reform. You might remember, one of the first issues that I addressed after election was legal reform, asbestos reform, class-action reform, medical liability reform. I believe if there is a—that we've got a chance to get some good, meaningful legislation out of the Congress early, which will send a good signal that we will address those issues that make—that stand in the way for further economic expansion. We need an energy bill, and I look forward to working with members of both parties to get a good energy bill out.

Obviously, people in the capital markets are going to be watching the issue of twin deficits—on the one hand, the spending deficit, the fiscal deficit. We'll address that in our budget that we're getting ready to submit to Congress. Obviously, we're going to have to work closely together to send the signal that we're willing to tackle some tough issues. The budget I'll be submitting is one that says, "We'll spend money on projects that work, but we must make sure we're not wasting the taxpayers' money."

In terms of the trade deficit, it is important for us to make sure that in countries that are—that countries treat their currencies in market fashion. I've been working with China, in specific, on that issue. Secondly, that people knock down their barriers to our goods and services. Thirdly, that we continue to grow our economy at home by making—by some of the reforms I've just discussed.

But I think most people are optimistic about the economy next year. It's very impor-

tant that we continue to put progrowth policies in place.

Iraq

Q. Mr. President, Senator Ted Kennedy recently repeated his characterization of Iraq as a, quote, "quagmire" and has called it your Vietnam. And the questioning of Alberto Gonzales and Condi Rice in the Senate has been largely used by Democrats to criticize your entire Iraq program, especially what you're trying to do postwar. I wonder if you have any response to those criticisms? And what kind of an effect do you think these statements have on the morale of our troops and on the confidence of the Iraqi people that what you're trying to do over there is going to succeed?

The President. I think the Iraqi people are wondering whether or not this Nation has the will necessary to stand with them as a democracy evolves. The enemy would like nothing more than the United States to precipitously pull out and withdraw before the Iraqis are prepared to defend themselves. Their objective is to stop the advance of democracy. Freedom scares them. Zarqawi said something interesting the other day, that—he was talking about democracy and how terrible democracy is. We believe that people ought to be allowed to express themselves, and we believe that people ought to decide the fates of their governments.

And so I—the notion that somehow we're not making progress, I just don't subscribe to. I mean, we're having elections. And I think people need to put this moment in history in proper context. That context, of course, starts with whether or not the world would be better off with Saddam Hussein in power and whether or not America would be more secure. After all, I've always felt the Iraqi theater is a part of the war on terror.

And I am encouraged and I am heartened by the fact the Iraqi citizens are showing incredible bravery. They're losing a lot of people. Obviously, these targeted assassinations of innocent civilians is having an effect on Iraqi families. But they want to vote. They want to participate in democracy. They want to be able to express themselves. And to me, that is encouraging. There is a notion in some parts of the world that certain people can't

self-govern, certain religions don't have the capacity of self-government. And that condemns people to tyranny, and I refuse to accept that point of view.

I am optimistic about the advance of freedom, and so should the American people. After all, look what's happened in a brief period of time: Afghanistan; the Palestinian elections, which I think are incredibly hopeful elections; as well as the Ukraine; and now Iraq. It is—we're witnessing amazing history. And the fundamental question is, can we advance that history? And that's what my Inauguration speech said. It said, "Yes, we can." I've firmly planted the flag of liberty, for all to see that the United States of America hears their concerns and believes in their aspirations. And I am excited by the challenge and am honored to be able to lead our Nation in the quest of this noble goal, which is freeing people in the name of peace.

Bennett [Bennett Roth, *Houston Chronicle*].

Immigration Reform

Q. Mr. President, the Senate Republicans recently listed their priorities, and immigration reform wasn't on it. Do you think this means it's dead for this year? And why are you having so much trouble with your own party on that?

The President. No, I appreciate that question. It will be one of my priorities. I believe it's necessary to reform the immigration system. I'm against amnesty. I've made that very clear. On the other hand, I do want to recognize a system where a willing worker and a willing employer are able to come together in a way that enables people to find work without jeopardizing a job that an American would otherwise want to do.

I also happen to believe immigration reform is necessary to help make it easier to protect our borders. The system right now spawns "coyotes" and smugglers and people willing to break the law to get people in our country. There is a vast network of kind of shadowy traffickers. And I believe by making a—by advancing a program that enables people to come into our country in a legal way to work for a period of time, for jobs that Americans won't do, will help make it easier for us to secure our borders. And so—

Q. Why the resistance in your party so much?

The President. Well, I think—I'm looking forward to discussing it with members of both parties. I believe it's a very important issue that we need to address. I've had a lot of experience with dealing with borders, as the Governor of Texas. I know there's a compassionate, humane way to deal with this issue. I want to remind people that family values do not stop at the Rio Grande River. People are coming to our country to do jobs that Americans won't do, to be able to feed their families. And I think there's a humane way to recognize that, at the same time protect our borders, and at the same way to make sure that we don't disadvantage those who have stood in line for years to become a legal citizen. And I'm looking forward to working with people of both parties on the issue.

David [David Jackson, *Dallas Morning News*].

Political Climate/Legislative Agenda

Q. Mr. President, we saw the Democrats yesterday devote 9 hours to Ms. Rice. We may see something similar with regard to Judge Gonzales. There's just simply a lot of anger on the Hill by Democrats at you, personally, and at your administration. And isn't this going to dog your efforts at whatever you do down the line, from the Supreme Court to immigration to whatever?

The President. You know, we're all here to serve the people. And as I say, I'm going to go out and explain why I think it's important for us to address big issues like Social Security reform and take my case to the people and let them hear the rationale about why even address big issues, much less the reason why I think, for example, in Social Security there is an issue. As I just laid out the math, it is clear that now is the time to act.

And I don't know about hostility and all that business. That's—I guess that's your job to gauge that. When I've talked with people, I feel like people are looking forward to working with us.

Q. Well, you had a Democratic Senator basically call your Secretary of State nominee a liar. That's pretty harsh language coming from—

The President. Well, there are 99 Senators other than that person. And I'm looking forward to working with as many Members as we can. Condi Rice is a fine, fine public servant, greatly admired here in America and greatly admired around the world. And she will make a great Secretary of State. And I'm looking forward to working with her.

Listen, thank you all very much for your time. I appreciate this. And I'm looking forward to working with you all as we have a productive 2005.

Thank you.

NOTE: The President's news conference began at 10 a.m. in the James S. Brady Briefing Room at the White House. In his remarks, he referred to President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; President Viktor Yushchenko of Ukraine; Prime Minister Ayad Allawi of the Iraqi Interim Government; King Abdullah II of Jordan; former President Saddam Hussein of Iraq; Prime Minister Junichiro Koizumi of Japan; President Vladimir Putin of Russia; senior Al Qaida associate Abu Musab Al Zarqawi; and Armstrong Williams, television and radio show host and columnist. The Office of the Press Secretary also released a Spanish language transcript of this news conference.

Remarks in a Discussion on Health Care in Bethesda, Maryland January 26, 2005

The President. Thank you all for coming. Please be seated. Thanks for the warm welcome. Thanks for coming. I'm looking forward to having what I think you'll find to be a very interesting dialog about innovative ways to make sure that our health care system addresses the needs of our individual citizens.

This is an issue that requires a lot of dialog so people understand the problems and a lot of innovative thinking to make sure that the system works. My judgment is the system won't work if medical decisions are made by Government. I believe the best kind of decisionmaking occurs when consumers make decisions and the relationship between their doctors and the patients are—become the cornerstone of good health care policy.

And so we're going to have a dialog. I want to thank our fellow citizens for being here.

We just had a little discussion about how to make sure this conversation goes without flaw. [Laughter] I'm confident it will.

First, I want to thank the Governor of the great State of Maryland for joining us today. As you know, at times I take a little—a brief weekend retreat in the great State of Maryland at a fine facility called Camp David. And the last time the Governor was there, was with Laura and me. He and the first lady were there, and it happened to be the day of the blizzard. So I've invited him back in the summer. [Laughter]

I want to thank my friend Elias Zerhouni, the Director of the National Institutes of Health. I appreciate the job you're doing, Doc; you're doing a fabulous job. I want to thank Les Crawford, who's with us today, the Acting Director of the—Acting Commissioner of the FDA. Thank you, Les, for being here. And I want to thank everybody else who has come. I'm honored that you're interested in this very important subject.

Before we talk about health care, though, I do want to talk about a couple of other subjects. One, I am, as you could tell from the speech I gave last week, a firm believer in freedom and the ability of freedom to bring peace to our world. I am so pleased to watch liberty advance throughout the world in places that—where people—in places where people never dreamt liberty would come. I want our fellow citizens to see what is happening in our world in the last couple of months.

I mean, in Afghanistan millions of people voted for a President for the first time in 5,000 years. It's a grand moment in history when people who had been condemned to tyranny—by in this case, the Taliban—have a chance to express themselves in the ballot box—at the ballot box, to let their opinions be known as to how Government ought to respond to their needs.

As well the Palestinians elected new leadership. I am very pleased by the courage and leadership shown by Abu Mazen, his desire to unify security forces within the Palestinian territory, so as to defeat the terrorists there and allow for democracy to advance. I believe a Palestinian democracy will emerge and will grow, enabling us to achieve a goal of two

states, Israel and Palestine, living side by side in peace.

As well the Ukraine swore in a new President, which was a remarkable advance of democracy in that part of the world. And finally, this Sunday, after years of brutal tyranny, the long-suffering people of Iraq will go to the polls to vote for a—freedom is on the march. Freedom will continue on the march, and therefore the world will be more peaceful, and we'll be able to say we left behind a more steady and stable and peaceful world for our children and our grandchildren.

At home, we've got to make sure freedom continues on the march as well. That starts with making sure every child receives a great education. The No Child Left Behind Act is the beginning of making sure high standards and accountability come to our classrooms, so that not one single child is left behind. We're making progress, and over the next 4 years, we'll continue to make progress.

The world is watching as to whether or not we're able to manage our budgets. One of the things people say, "Are you capable of dealing with twin deficits?" On the one hand, we have a fiscal deficit, so I'll be submitting a budget to the United States Congress that sets clear priorities. One of the priorities of my administration was doubling the funding for NIH so we continue to stay on the leading edge of research and technological change.

We understand how important science is. And we understand it's important to be the leading nation when it comes to research, and we'll continue to stay there. But we are funding some things that aren't effective as well. And so the budget I submit to the United States Congress will work on reducing our deficit in half by—over a 5-year period of time, and at the same time, funding much needed priorities.

As terms of the current account deficit—that would be the deficit as far as our trade goes—the best way to deal with the current account deficit is to make sure America is the best place in the world to do business, to risk capital, so that we can continue to grow our economy. And the first step of doing that is for Congress to bring meaningful legal reform to my desk early in this legislative session, reforming the asbestos law, re-

forming class-action lawsuits, and reforming medical liability.

We'll continue to work on free and fair trade. I believe we can compete with anybody, anywhere, so long as the rules are fair. We need to open up markets around the world so our farmers and entrepreneurs and manufacturers can sell our products around the world. We need to make sure that regulations are fair. We've got to make sure that taxes remain low so as not to snuff out the entrepreneurial spirit in America. Our economy is growing. Small businesses are vibrant and alive and well. New jobs are being created by small businesses, and we want to continue that momentum. People are finding work. We've recovered from recession. And it's important for Congress to understand that we've got to create an environment for continued capital expansion if we want our people to find jobs. And so I'm looking forward to working with them.

We've got a lot of big challenges ahead of us. And one of the biggest challenges of all is Social Security. And it's a challenge because if you're a dad, for example, of a 23-, 24-year-old child, when that child comes time to retire, the system is broke. It's flat bust. In 13 years, the system begins to go negative. That's more money going out than coming in.

And so it seems like to me, for people like me who have gotten positions of responsibility, we should deal with this issue and not pass it on in hopes that it gets better. It's not going to get better unless Congress works with the administration to have a permanent, long-term fix for Social Security. If we do not act, the cost becomes more expensive in the out-years. If we do not act, there's going to be a need for huge payroll tax increases and/or major benefit cuts. So now is the time to move. And I understand there's a reluctance by some in Congress to take on a tough decision. But I believe we've been elected for a reason, and that is to confront problems and to work together in a bipartisan spirit.

For those seniors who are worried about the debate on Social Security, you have nothing to worry about. Nothing will change. But your children and your grandchildren do have something to worry about. And so I look forward to working with the Congress to

come up with a long-term solution to fix Social Security.

As well we need to come up with reasonable, commonsense policies to address the rising costs of health care. And so today we're going to talk about some innovative ideas. One is health savings accounts. And we'll be talking to an employer and somebody—a beneficiary, like me, of a health savings account. A health savings account enables a person to be in charge of his or her own health care decisions. Health care savings account will cover major catastrophic problems and, at the same time, allow a person to save and/or a business to save tax-free for the everyday expenses of health care. And if in fact you have not reached your limit for your catastrophic care—in other words, if you have money left over, you can roll it over, tax-free, into a savings account that you call your own.

We've got some people who can probably explain this better than me here, consumers of health savings accounts. But health savings accounts all aim at empowering people to make decisions for themselves, owning their own health care plan, and at the same time bringing some demand control into the cost of health care. Our view is, is that if you're a consumer of health care and you're in the marketplace making health care decisions, it is more likely that there be more cost control in health care than a system in which the consumer of health care has his or her health care bills paid by a third-party provider.

Secondly, we're going to talk about association health plans, which will allow small businesses to pool across jurisdictional boundaries to be able to afford health care insurance at the same discounts that big companies get. The principle behind association health plans is that the more risk you're able to spread amongst beneficiaries, the lower your cost of health care. And unfortunately, too many laws restrict small businesses from being able to pool risk. And so we're going to talk about that.

We're going to talk about an integrative way to establish a national marketplace for health care by allowing people to get on the Internet and buy a health care plan in a State other than that in which you live. It's kind of an interesting way to encourage more con-

sumer activism, more choices for our citizens here in the country.

And finally, we're going to talk about making sure that we expand our children's health savings program. And we're going to talk to a lady who has been very much involved in encouraging people to sign up for what's called SCHIP, so the youngest citizens can take care [advantage]^{*} of the Government programs that are now available.

As well I want to remind you all that we will continue to promote an adequate safety net for our citizens, and by that, we've got community health centers in America today. I want to continue to expand community health centers. This is the place where the poor and the indigent can get primary care. And they're great centers. And Congress has been very cooperative in the past of funding our budget requests, and I hope they do again as we continue to expand these community health centers all across the United States of America.

We will, obviously, continue to make sure Medicare fulfills its promise. Obviously, I felt the system needed to be reformed. It was a system that would pay, for example, for hospitalization of a senior citizen for heart surgery but not for the medicine that could prevent the heart surgery from being needed in the first place. It was a system that needed to be changed, and at the same time, it was a system that needed to respond to the demands of our senior citizens. And so we introduced market forces into the Medicare system to make it such that it can continue to evolve and grow and change as medicine changes and, therefore, meet the needs of our senior citizens.

Tomorrow I'm going to go to Cleveland to talk about the importance and need of information technology in the health care field. If you really think about many industries in America, they've been able to modernize and become more productive by introducing IT, information technology, into their industries. It's a little difficult—a little more difficult task here in health care. We've got 21st century medical practices but a 19th century paperwork system. Doctors are still writing prescriptions by hand. Most doctors can't write

^{*} White House correction.

clearly anyway, and so it's a—[*laughter*—so there's a better way to enable our health care system to wring out inefficiencies and to protect our patients. So medical electronic records is going to be one of the great innovations in medicine. And I look forward to talking about ways to advance information technology and health care.

Finally, a way to make sure that our citizens are able to better afford health care is to speed generic drugs to the market. I want to thank the FDA for propagating rules that prevent pharmaceuticals from delaying the advent and access to our consumers of generic drugs. These drugs do the exact same thing as brandname drugs do and yet cost a fraction of the cost of the brand names. And so we're doing a better job of speeding generics to the markets. And that's a positive development for our seniors and all citizens, for that matter.

So here are some practical ways to address the cost of health care without allowing the Federal Government to become the health care decider. The federalization of health care would be bad medicine for the American people. And one way to prevent that from happening is to propose positive alternatives. And that's what we're going to discuss today.

And the first person I'm going to discuss health savings accounts with is Pat Zakula—correct? Exactly. Pat Zakula. [*Laughter*] She called me George Brush. [*Laughter*]

All right, where are you from?

Patricia Zakula. I'm from northeast Indiana.

The President. Northeast Indiana. Fabulous, yes. And so what do you do?

[*At this point, Ms. Zakula, executive director, Children First Center, Garrett, IN, made brief remarks.*]

The President. Great, thanks for doing that. You're a soldier in the army of compassion. So you've got employees, right? How many?

Ms. Zakula. Yes, we have 70 employees. Because most of our services are home-based, it takes a lot of people to do what we do. Most of our staff are women, some in their twenties to in their fifties.

The President. Right. And you're expected to provide health insurance.

Ms. Zakula. That's right. And we've been doing—providing health care—health insurance for people for many years, as we keep growing. But it became a real struggle, because the costs were just exorbitant, and they would go up, you know, in double digits every year, and sometimes twice a year they would go up.

The President. Right, which is a common problem for a lot of smaller enterprises. So how did you deal with it?

[*Ms. Zakula made further remarks.*]

The President. This is interesting. Listen to what she's saying. First of all, they're going broke. They can't afford health care. Like many small businesses or small enterprise or small nonprofit, she's faced with a choice: "Do I keep the doors open and have employees without health care"—basically, is what you're saying.

The HSA comes along, and so the plan, as I understand it, has a deductible of 1,700—in other words, you pay for the first \$1,700 of expenses—and then you have insurance to cover the—

Ms. Zakula. That's correct, to cover the 100 percent after you reach that \$1,700.

The President. Right. And the way this HSA works is you take the high-deductible plan, of \$1,700 in your case, and contribute \$1,700 into the plan, tax-free, so that the person has the 1,700 to cover expenses, up until the insurance policy kicks in. I think that's the way yours works.

[*Ms. Zakula made further remarks.*]

The President. If the 1,700 isn't spent, it rolls over to the next year tax-free and the owner of the HSA can pull the money out tax-free for health care. And so it's an incentive to save.

Now, think about this, if for example, you make healthy choices in your life and the 1,700 could be rolled over, the healthier you are, the less likely you're going to spend on normal health care needs, the more money you have that you call your own. And secondly, the benefit is, your employees start making decisions. As opposed to saying, "You've got to go buy X, Y, Z for this

amount,” people all of a sudden start to shop for that which is best for them.

Ms. Zakula. That’s true. And people who—when they found out that their visit to the doctor really didn’t cost \$20, which was our co-pay—[laughter]—then they’re not—then they don’t run to the doctor all the time. However, they are using—they’re using preventative care and doing the things that they need to do, but they’re more likely to shop around and to weigh things, whether I need to do this or not.

The President. Part of the issue with health savings accounts is for people to even understand they exist. And so you’re talking to an owner who is on the leading edge of change. These are relatively new products available. And part of the reasons why we’re discussing this is we want small-business owners and individuals to realize that health savings accounts are now available. And I urge everybody to look into the benefits of a health savings account.

And you need to listen to Bill Lomel, who is with us. You are an owner of a health savings account?

William Lomel. Right. I’m Bill Lomel. I’m from Atlanta—

The President. Exactly, Lomel, just as I said. [Laughter] Two for two. [Laughter]

Mr. Lomel. I have a commercial roofing contracting business with 25 employees and, like Pat, was faced with similar decisions. I mean, the monthly premium for our family coverage 2 years ago went from 450 to 750, and then it was going up over a thousand. And the group kept getting smaller because people were dropping out of the plan. The individuals couldn’t afford their portion of the coverage. And it was kind of an effect going on, making it—

The President. Catch-22.

Mr. Lomel. Yes.

[Mr. Lomel, owner, Titan Roofing, LLC, Suwanee, GA, made further remarks.]

The President. You getting that? It’s important for people to understand what he’s saying. He buys the high-deductible policy to cover major medical expenses, and the savings on that policy from what he was paying otherwise more than equals the zero to 5,000 dollars cost up until the insurance kicks in.

It’s his own money, the 5,000. He owns it. It earns interest tax-free. In other words, he’s able to put it in an interest-bearing account. And if he or his three children do not spend the 5,000, whatever the balance is, it rolls over to the next year. And it’s—and it enables, frankly, small businesses to stay in business and families to be able to better afford health care.

You enjoying it?

Mr. Lomel. Yes, it’s great, and it’s made providing that benefit possible again.

The President. Yes.

Mr. Lomel. So we’re meeting with all of our employees to get them signed up individually on programs that I can kind of help facilitate.

The President. Absolutely. Most of the working uninsured in America work for small businesses. And so for small-business owners out there who are worried about being able to pay for insurance for your employees—and a lot of owners are, like you were—I mean, it must be nerve-wracking.

Mr. Lomel. Well, one of the key things that has come out of this is that when I go to the doctor, I’m interested in the cost. [Laughter]

The President. Yes.

Mr. Lomel. And I had—

The President. That’s pretty good.

Mr. Lomel. I had a small skin cancer removed this year. And just—I asked.

The President. Yes.

Mr. Lomel. They offered me two procedures, and I said, “Well, how much does this one cost and how much does that one cost, and what are their effectiveness?” And they were virtually the same, so—

The President. You know, it sounds simple, but it is a dynamic that in many cases is absent from the health care markets because if a third party makes that payment, he never gets to ask the question. He just accepts the decision. And all of a sudden when you have consumers starting to ask questions about cost, it is a governor on cost at the very minimum. And so part of—one way to make sure that costs don’t continue to escalate is to introduce consumer demand into health care decisionmaking. And since HSAs enable a consumer to own their own account and manage their own account and

make decisions for their account, we've introduced demand into the marketplace.

Thank you two for sharing this. I signed up for an HSA. I'm feeling pretty good these days, and—[*laughter*—I think I'll have some money left over. But recognizing that I can prevent disease, I want to encourage people to exercise on a regular basis, make wise choices about what you put in your body, be mindful of what you eat. And if you happen to be an HSA owner, like the three of us, you will realize—more likely realize savings that you can roll over tax-free and call your own.

Hopefully, one of these days when I get to be an old guy, my HSA will be bulging with money—[*laughter*—and I will be comfortable in the security of retirement because my HSA will be a part of a—you know, other options to provide good health care for me and my family.

We've got Rich Parsons with us. I actually got it right, two for three now. What do you do, Rich?

Richard Parsons. I run the Montgomery County Chamber of Commerce, which is a small nonprofit right here in Montgomery County, Maryland, and we represent the employer community.

The President. Good, thanks. Welcome. I'm glad you're here. You are here not only to talk about the wonderful benefits of having a business in Montgomery County but as well to discuss—

Mr. Parsons. Well, what we want to talk about is really the same issue you just heard from a consumer standpoint; it's the lack of choice. It doesn't affect just consumers, but small-business owners in particular and small nonprofits like ours. We have a very small range of choices that we can select from when we go to do what we all want to do, which is provide our employees with good coverage at good prices. We're finding our choices in a State like Maryland, and even though this is one of the leading biotech and medical innovations centers of the world today, we have about four policies—four companies that will even write policies for small businesses in the State. And we've got to expand choices, and that's what I wanted to talk about today.

The President. Well, I appreciate that. That's common sense, isn't it? If you want there to be reasonable price, the more consumers have to choose in a marketplace, the more likely it is you'll be able to find something at the price you want. That's how the marketplace works. You're telling me the marketplace is somewhat restricted here.

Mr. Parsons. Well, because of regulatory factors and just the way the marketplace has turned out here in Maryland, we are not allowed by State law to do what some States are allowed to do, which is to offer association health plans, where my—

The President. Right. Describe what an association health plan is, please.

[*Mr. Parsons, president and chief executive officer, Montgomery County Chamber of Commerce, Derwood, MD, made further remarks.*]

The President. Right. An association health plan will allow people to pool risk. That's what we're saying. And I happen to think that we ought to allow small businesses to pool risk across State boundaries. In other words, I think a restaurateur in Maryland ought to be able to combine in the same insurance plan as a restaurateur in Texas. I think we ought to be focusing on the social objective of making sure our small-business owners can find affordable health care so that fewer people are working uninsured, rather than jealously guarding jurisdictional lines for whatever reason.

And so I look forward to working with Congress to get an association health plan out—bill out that will allow for pooling of risk for small-business owners across jurisdictional boundaries. And nonprofits, by the way, should be allowed to pool risk as well.

Have you heard of health savings accounts, in the meantime? I mean, these are really great. [*Laughter*]

Mr. Parsons. I learned about them at this event. I'm going to look into it.

The President. You seriously ought to look into them. [*Laughter*]

But Congress needs to understand that on the one hand, you cannot complain about people who don't have insurance and you work for a small business and then not allow

small businesses to be able to have the opportunities in the marketplace, the same opportunities afforded companies with large pools, large employee bases. You've got to give them the opportunity to be able to shop.

And so association health plans make a lot of sense. I want to thank you for sharing that with us, Rich.

Mr. Parsons. Well, thank you. We need the help in Congress.

The President. I agree. That's what we're here to do. We're here to remind Congress about the benefits.

Jesse Patton.

Jesse Patton. Correct. [Laughter]

The President. Got that right.

Mr. Patton. Just like the general.

The President. Yes, sir. [Laughter] The founder and president of—

Mr. Patton. Associations Marketing Group in Des Moines, Iowa. We're actually an insurance agency that specializes in the sale and service of both individual and group health insurance plans. And we do business in 42 States, so we work with individuals not only in Iowa but across all of the United States.

The President. And Jesse wants to talk about an idea that I broached early on, and that is to allow consumers to shop.

[Mr. Patton made further remarks, concluding as follows.]

Mr. Patton. The nice thing about this proposal is that people would be able to go across State lines, but they would still have the safety feature of having their products still regulated by insurance division, insurance commissioner.

The President. That's an important point. Sorry to interrupt you. You were on a roll. [Laughter]

Mr. Patton. Go ahead, you're the President.

The President. Thank you.

Mr. Patton. I'm just the general. [Laughter]

The President. So you're a—you heard Bill talk about—he got on the Internet. He was trying to find more information. He was worried about finding a product that he could use. Imagine someone living in Maryland getting on the Internet and being able to

shop nationwide for an insurance plan that meets his or her specific needs—basically what you're saying.

Mr. Patton. Correct. If you look at an example that we did for your staff of a 35-year-old individual with a 35-year-old spouse and two children on a \$500 deductible, premiums from the various States—my home State of Iowa, that premium actually comes in at \$430. Other States that we looked at, those premiums are at 1,500, 1,200, \$1,609. So they're up to a thousand dollars difference in that individual rate for the same product, same insurance carrier, just based on the State that you reside in.

The President. And so, perhaps, one way to encourage reform at the State level is to allow consumers to actually make choices. And the more consumers that buy a product in a certain State may cause other States to have the incentive necessary to change the regulatory burden so that products can be delivered at a less expensive price in their own State.

But the real question people have is, "Well, how do I know I'm not getting cheated?" In other words, it's one thing to open up additional consumer price. But how do you know it's not a fly-by-night or a shyster? We caught a guy the other day flimflaming people on the tsunami relief effort. There was a lot of innocent folks who think they're making a contribution, in this case, to help somebody's life, and it turns out he was a—the FBI found out that he was a flimflam artist. How do we make sure that the innocent consumer is not buying a product from a company that doesn't have the capital base necessary to provide insurance, for example?

Mr. Patton. Correct, and there's actually a couple safety features here. I, as an insurance agent, am licensed and able to do business based on a license I hold by the insurance division of the State that I operate in. I must also get a nonresident license in another State that I plan to sell business. So I'm actually regulated—if I would sell a product here in Maryland, I'm actually regulated by the insurance division in Maryland under my insurance license here, plus I'm also regulated by the insurance division in Iowa, which is my home base. And then, again, you

would have the insurance commissioner's office also regulating the carrier and the product.

The President. Right. So in other words, if you're a Texan buying into Iowa, and you feel like you've been cheated, there would be a complaint mechanism—

Mr. Patton. Correct.

The President. —and the State would, therefore, make the decisions as to whether or not the—on the capital-worthiness of a particular entity offering insurance in that State.

Mr. Patton. Correct. You would actually have two safety features, your home State and your State that you were buying your insurance from.

The President. Right. I think it's an interesting idea. I think the more we give choice to consumers and the more consumers are allowed to be in the marketplace designing and shopping for product that meets their needs, the more likely it is we'll be able to control costs and make the marketplace work. It works in other industry, and I think we need to bring—I know we need to bring market forces into the health care field.

For those of you who live in Maryland, by the way, you're fortunate to have a Governor who understands all this. I appreciate your efforts, by the way, on medical liability reform, addressing the cost. And we look forward to working with you, Governor, and other Governors as well to do the best we can to make this system work on behalf of consumers in the health care field.

Finally, we've got Tammi Fleming with us, from the great city of New Orleans, Louisiana. Isn't that right?

Tammi Fleming. Yes, you got that right. [Laughter]

The President. Tammi runs an interesting program. Why don't you describe your program, Tammi.

[Ms. Fleming, program manager, *Health Care for All*, New Orleans, LA, made brief remarks.]

The President. The point is, is that we have programs aimed at helping people who need help, basically is what you're saying. And one such program is SCHIP—that's the Children's Health Care Insurance Program.

And it's not fully subscribed. In other words, we had the money available, and States did not access the money to help children with good health care.

[Ms. Fleming made further remarks.]

The President. The reason we've asked Tammi to come is because it's very important for States to develop effective outreach programs. At the Federal level, we're willing to help fund outreach programs. We think it's important for people who've qualified for the SCHIP program to know that that program is available without stigma. And it is an effective way to provide our children with the insurance we want our children to have.

And so what Tammi is saying is, she's pointing up the fact that we need a grassroots effort across the country to enable people to know what is available for the Children's Health Care Program.

[Ms. Fleming made further remarks.]

The President. Well, I appreciate what you're doing. Walkers and talkers. That's good. Good job.

Well, listen, I want to thank you all for joining the discussion. The solution is one that—the solution to health care costs is one that requires a myriad of approaches, as opposed to a single Federal Government approach. I believe the more we empower people to make decisions, the better off we are in terms of achieving a national objective, which is affordable health care that's available. And I want to thank you all for sharing with people innovative ideas.

I'm pleased to inform you that Dr. Condi Rice has just been confirmed by the United States Senate. She will be a great Secretary of State for the United States of America. I'm honored to be working with her, and I look forward to spreading freedom and peace.

Thank you all for coming. May God bless you all.

NOTE: The President spoke at 11:49 a.m. at the National Institutes of Health. In his remarks, he referred to Gov. Robert L. Ehrlich of Maryland, and his wife, Kendel; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and President Viktor Yushchenko of Ukraine.

Interview With Al Arabiya Television January 26, 2005

The President. Before you ask your question, Lukman, let me—if you don't mind, I'd like to say one thing to the Iraqi people. This is a historic opportunity for the people of Iraq to vote for a Government. And I want to express my appreciation for the courageous Iraqis who are willing to step forth and promote democracy and urge all the citizens in Iraq to vote and to show the terrorists they cannot stop the march of freedom.

I'm proud of the country. I'm proud of the citizens and look forward to the day when Iraq is democratic and free with Iraqi traditions and Iraqi customs. And it will be a grand day on Sunday.

Upcoming Iraqi Elections

Lukman Ahmed. Thank you, Mr. President. And that's before we thank you again for giving us this opportunity here on Al Arabiya. We'd like to congratulate you for entering your second term. But with regard to this Iraqi election, do you expect a big or a good voter turnout?

The President. You know, it is amazing, first of all, they're having a vote at all. A couple of years ago, people would have been puzzled by someone saying that the Iraqis will be given a chance to vote. And now they are. I know this: I know thousands and thousands of Iraqis want to vote. I know they cherish the idea of being able to vote, and I hope as many Iraqis vote as possible.

U.S. Super Stallion Helicopter Crash in Iraq

Mr. Ahmed. Let me ask you how you feel about this incident today, about the helicopter incident. How do you feel about it, and will that affect your engagement in Iraq?

The President. I appreciate you bringing that up. First of all, any time a soldier loses life is a sad day, sad for the family, sad for the friends, sad for his or her fellow troops. And we offer our prayers and condolences and ask for God's grace and comfort on those who suffer.

Today a tragic helicopter accident is a reminder of the risks inherent in military operations. We mourn the loss of life. But I am

convinced we're doing the right thing by helping Iraq become a free country, because a free Iraq will have long-term effects in the world and it will help the people of Iraq realize their dreams and aspirations and hopes.

Sunni's Role Following Elections

Mr. Ahmed. Some details, sir, about this election. As you know, that the Iraqis will go to vote, Shi'as whom expected to participate in large numbers and Sunni whom expected to participate in smaller numbers. What is the role you see Sunnis as playing in Iraq after the election?

The President. Well, first of all, I hope all Sunnis vote. I think it's very important. Secondly, I've been heartened by some of the comments of Shi'a leadership that has said the new Government must be inclusive, that, in order for Iraq to achieve its ultimate objective, which is a stable, free society, that everybody ought to be able to participate in the writing of the constitution, that there needs to be respect for minority rights. And to me, those are very healthy, important comments that are being made by Shi'a leaders. And it is an understanding that a free society is one which honors the voices of all.

Iran

Mr. Ahmed. Mr. President, there are report coming out of Iraq suggesting that the Iranian are getting millions of dollars into Iraq, sending people to influence the election. First, how do you plan to deal with Iranian to this regard?

The President. Well, one way is to speak clearly and make it very clear that the Iranians should not be trying to unduly influence the elections. I'm confident that the Iraqi citizens will want Iraq to be free from any influence—in other words, they want to be able to vote and elect people that will represent their views, not the views of a foreign government.

Mr. Ahmed. If I may follow up. Will it concern you that some sort of pro-Iranian Government will emerge?

The President. Well, I don't think so. I think that the Iraqis who are willing to serve are people who understand that the future of Iraq depends upon Iraqi nationalism and the Iraq character—the character of Iraq and

Iraqi people emerging. You know, there's been longtime problems between Iran and Iraq, and I'm confident that Iraqi nationalism and Iraqi pride and the history of Iraq and traditions of Iraq will be the main focus of the new Government and reflect the new Government.

Mr. Ahmed. Another issue regarding that or concerning that country and its tradition is monitored in statements regarding Iran. Mr. Vice President warned Israel not to have any action against Iran. In Israel, nevertheless, they think that a strike on Iran will help to delay the nuclear effort, like the strike on Iraq by Israel on 1981. How do you force this situation?

The President. Well, I think we can solve this problem diplomatically. And I appreciate the efforts of France, Germany, and Great Britain to interface with the Iranians, all attempting to convince them that they must give up their nuclear weapons programs. And we'll work closely with IAEA, as well as the United Nations, to effect that end. And I feel comfortable that we can achieve a understanding with the Iranians on the diplomatic front.

Upcoming Iraqi Elections/Completing the Mission

Mr. Ahmed. We've got to go back to the Iraqi election again. I want to talk about the Iraqi election. Also, we see the future of the coalition forces there, the future of the U.S. forces over there. How do you see the future of the coalition forces after the election in Iraq?

The President. Well, I think it's very important for the Iraqi citizens to know what I've been telling the American citizens, and that is, is that we will stay as long as is necessary to help the Iraqis secure their country. And we'll come home as soon as possible. But that mission must be completed. And the mission is to train Iraqi soldiers, to give Iraqis the tools and the command structure necessary to be able to fight off the few who want to stop the aspirations of the many.

I've heard talk about that we are occupiers. No, the United States and our troops and our coalition are there to help the Iraqi citizens. And so our mission is to do our job as quickly as we can and then come home.

Now, it is up to the Iraqi citizens to eventually fight off the terrorists, and we want to give them the tools necessary to do so. And I think we're making good progress. I mean, obviously there's more work to be done, but many Iraqi units have proven themselves worthy in fighting off these terrorists. And it's important for the Iraqi citizens to know that their own citizens are out defending their freedom.

Iraqi Troops

Mr. Ahmed. And this is—you put it as an exit strategy—with regard to the training that you just mentioned here right now, what exact number you think for Iraqi force already being trained in Iraq?

The President. Oh, how many have been trained so far?

Mr. Ahmed. Yes.

The President. Well, I think we've trained 120,000, but that doesn't necessarily mean they're ready. There's a difference between quantity and quality. And so our focus over the next year will be to make sure that the quality of the troops is necessary. And there's been great progress on the ground. Some of the fighting units in Iraq have been very strong and very capable. We want to make sure there's a command structure—in other words, from top to bottom there's a chain of command that will enable forces to move at the will of the Iraqi Government. In other words, when the Iraqi Government makes a decision to go defend the Iraqi people, that there's decisive and quick movement.

And we're making progress. There's more work to be done. That's the point. There's more work to be done on the border guards. There's more work to be done with infrastructure guards. There's more work to be done with the regular army as well as the national guard and the police. But we're there to help, as are other countries.

Future Iraq-U.S. Military Relationship

Mr. Ahmed. After securing Iraq and having the Iraqi security forces able to secure their country, there is talk about the thought that here in Washington, they might be a permanent U.S. military base on Iraq. How do you—

The President. Well, that's going to be up to the Iraqi Government. A Government elected by the people will be making the decisions as to how best to secure their country, what kind of help they need to make sure their democracy is able to flourish. And I think the free world will be willing to provide that help. But these are sovereign decisions made by an elected Government.

You know, it hasn't been all that long that we transferred sovereignty to the current Government. It was last June of 2004 that sovereignty was transferred and that Iraqi citizens could see Iraqis making the decisions necessary to move forward. And now the elections will start a process so that by the end of this year there will be an elected Assembly that will be honoring a constitution approved by the people. And it's—I think it's a glorious moment.

And I, again, want to reiterate what I said. I hope the Iraqis—the Iraqis I've heard from have this great desire for freedom. And I hope they're willing to exercise their right and defy the terrorists. The terrorists have no vision for Iraq. They have no vision for a positive and hopeful country—unlike the people who will be elected, who will be listening to the voices of the Iraqis as they develop a society which will help educate people and provide health care. The businesses will flourish in Iraq. Iraq has got—Iraqis have got a great entrepreneurial spirit. They're good businesspeople, and of course we want to help.

Syria

Mr. Ahmed. Another country that is so essential to the security in Iraq, that country is Syria—the Interim Iraq Government accusing Syria of aiding the former regime element and providing a safe haven to the thousands of former Ba'athists. The Syrian Government is saying they are only a few hundred, and they cannot control their border. How do you plan to deal with Syria to this regard?

The President. Well, we've sent messages to the Syrians, very clear messages that they should not be meddling, on the one hand, and they should do everything they can to prevent money, arms, people from going from Syria into Iraq whose intent it is to de-

stabilize and terrorize the citizens and harm our soldiers. And we expect the Government to act on our request.

But it's just not our request. It's also the request of the Iraqi Government. Prime Minister Allawi, as you mentioned, has sent a very clear signal to the Syrians that they expect there to be cooperation and a 100 percent effort to prevent people who would destabilize the Iraqi Government from getting into Iraq.

Palestinian-Israeli Conflict

Mr. Ahmed. Mr. President, another issue is so essential to the area; that is the Palestinian-Israeli conflict. The latest joint survey conducted by Palestinian and Israeli shows that majority of Palestinians and Israelis support the idea of the permanent two-state solution that you laid out in your peace plan, the roadmap. But the problem is about how to move forward, how to get there. Today, here, again, I need to have a news from you about how we going to have something really new to accelerate the process.

The President. Well, I think you've seen something new that will help accelerate the process, and that is Abu Mazen, who has been elected by the Palestinians, who's showed strong leadership. He has declared that they will do everything they can to protect innocent life from terrorists as well as consolidating security forces. And, therefore, we're on the roadmap. In other words, there's a commitment by this man toward—heading toward peace. And there's obligations for both sides as we go down the path toward the establishment of a Palestinian state. And our job is to hold people to their word, is to say, "Wait a minute. This has happened"—how the Israelis must make it easier for people to move, for example, or make sure tax revenues move to the Palestinian Government so that they're able to more fully function.

At the same time, we very strongly support the conference in London, which will help the Palestinians develop a strategy to develop the institutions necessary for a state to emerge. I'm sending Condoleezza Rice, who was confirmed today as the Secretary of

State, to show our commitment to the Palestinian cause, a cause based upon peace, a cause based upon democracy.

Again, I'm very optimistic about the establishment of a Palestinian state. I'm optimistic because the leadership is showing strength. I'm optimistic because there is a very strong entrepreneurial class of people that can—if given a chance, will be able to develop small businesses in the industrial sector that will help the Palestinians find work.

I'm very optimistic because I believe that most Israelis do understand that in the long term their survival depends upon a democratic state coexisting peacefully with Israel. And I'm very optimistic because I believe the world now sees an opportunity to come together to help the process forward. And so I'm—I can't make you a prediction, but I can tell you that I believe that a Palestinian state is very possible. And we look forward to working with the parties who have declared themselves willing to fight off the terrorists and develop a peaceful society.

Prospective Visit by Abu Mazen

Mr. Ahmed. By mentioning Abu Mazen, that—my time is up, this is going to be the last question. You mentioned you're going to send Dr. Rice. And are we expecting to see you inviting Abu Mazen here to the White House? And just to have a clear assurance, whether you think there is enough agreement and work for you to get the Palestinian state made by 2009?

The President. Well, that's a very good question. Hopefully—I'm a person who tries to avoid timetables because sometimes it creates expectations that may not be met. I would hope that we could establish a Palestinian state as quickly as possible. And the United States of America as well as friends and allies will be willing to help along those lines. It is conceivable it could happen before then if there is that firm commitment. And it looks like there is a firm commitment.

Secondly, I had the honor of welcoming Abu Mazen here to the White House before. I'd love to see him again at his convenience. He's got a lot of work to do, and it's up to him to decide when he wants to travel. And if he wants to come to the United States, if he chooses to do so, of course he's invited.

I saw him in Aqaba, Jordan, so I've had a chance to meet with this man twice. And it's—he's a fellow who has, initially, in his new position, made some very difficult decisions, but the right decisions. And I think the Palestinians, if they continue to follow a path toward peaceful relations and the development of a free state where people can express their opinions and have dissent and an open press, there's a very good chance the state will happen. And I'm looking forward to that.

Mr. Ahmed. Mr. President, thank you so much.

The President. Thank you, sir. Lukman, good job.

NOTE: The interview was taped at 1:23 p.m. in the Map Room at the White House for later broadcast. In his remarks, the President referred to Prime Minister Ayad Allawi of the Iraqi Interim Government; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. A tape was not available for verification of the content of this interview.

Remarks in a Discussion on Health Care Information Technology in Cleveland, Ohio

January 27, 2005

The President. Thank you, Leavitt. Thank you, Mike. No, thank you all. Thanks for coming. No, please be seated. Thank you. Thanks for the warm reception. It's great to be here at one of the Nation's finest medical complexes. I want to thank you for giving us a chance to come by and talk about how to make sure health care is available and affordable for our fellow citizens.

I am honored Mike Leavitt has agreed to serve our country. He's been in the job 15 hours, and he hasn't made any mistakes yet. *[Laughter]* But he is going to do a great job. He was a former Governor from the great State of Utah. He understands the need for the Federal Government to relate effectively with State governments. The HHS is a complex organization with a lot of tasks. It requires good management skill in order to be an effective Secretary. I am confident that Mike has got the skill set and the vision necessary to do the job.

And so, Mr. Secretary, welcome to the job. I'm looking forward to working with you. I know a lot of docs are too. And you'll do fine. Fifteen hours and no errors is a good start.

I want to thank Toby Cosgrove, the doc, the CEO and chairman of this fantastic facility, for welcoming us here. I'm honored, Doc, that you put up with the entourage and let us come and visit with the good folks here in the Cleveland area.

I appreciate the docs who showed me the fantastic technologies that are now in place in this hospital. That's part of what we're going to discuss today. As you can see, I've asked some people who know what they're talking about to come and share the great excitement of information technology and how it can help change medicine and save money and save lives and, most importantly, make our fellow citizens—make available to our fellow citizens a health care system that is responsive to their needs.

And so thank you all for coming. I think you're going to find this pretty interesting. I know I'm going to.

I want to thank the Governor of the great State of Ohio for joining us. The last time I saw Taft, he was dancing on the stage at an Inaugural ceremony. *[Laughter]* He's about a lousy a dancer as I am. *[Laughter]*

I want to thank two Members of the Congress who traveled with me today on Air Force One, Ralph Regula, who is a fine Member of the House of Representatives, as well as—thank you for coming, Ralph—as well as Congressman Steve LaTourette. We appreciate you coming, Steve. You over there? Yes, he's still there. I was going to say, if he skipped the deal, he wasn't going to get a ride back. *[Laughter]*

I want to thank all the docs who are here. I want to thank all the people who—nurses who are here and the staff members who are here. I want to thank you for your compassion, and I want to thank you for lending your enormous skills and talents to saving lives. It's—we've got the greatest medical system in the world, and the role of the Federal Government is to do what is necessary to keep it that way. And I believe that the reason why we're so good is not only because we're great at research, but our people are

so compassionate and decent and care about their patients.

I want to talk—by the way, I met a guy named T.J. Powell. Where are you, T.J.? There you go. T.J. was at Air Force One. The reason I like to mention somebody like T.J. is because he volunteers a thousand hours per year in helping people as a member of the Ohio Medical Reserve Corps. In other words, he lends his talent and time to help people have a better life. In my State of the Union, I'm going to talk about the strengths of our country, the economy and our military—and we intend to keep it strong to keep the peace. But the true strength is the fact that we've got citizens from all walks of life who are willing to volunteer a thousand hours a year to make somebody's life better. I thank you for the example you've set, T.J. I appreciate you coming.

So the fundamental question facing the country is, can we have a health care system that is available and affordable without the Federal Government running it? I mean, it really is a philosophical challenge. There's good, well-meaning folks who believe that the best health care system is one where Washington, DC, makes the decisions. I happen to believe the best health care system is one where the consumers, the patients, make the decisions.

And so here are some practical ways for us to deal with the rising costs in health care. One is to make sure that people who can't afford health care have got health care available to them in a commonsense way. And that's why I'm such a big backer of expanding community health centers to every poor county in America. We really want people who cannot afford health care, the poor and the indigent, to be able to get good primary care at one of these community health centers and not in the emergency rooms of the hospitals across the United States of America.

The best way for a compassionate society to help make sure there is a health care safety net is to expand these community centers, which are working. I mean, this is something—we say, "Are you going to fund programs that get results?" And the answer is:

You bet. And these community health centers get great results. And so I'm looking forward to calling upon Congress to expand them to every poor county in the country.

Secondly, we have made clear our commitment to our Nation's seniors that we'll have a Medicare system that is modern. I can remember traveling the country explaining to people that Medicare would pay for thousands of dollars for a heart surgery—\$100,000 for a heart surgery, say, but not one dime for the prescription drugs that would prevent the heart surgery from being needed in the first place. That didn't seem a very effective use of taxpayers' money to me, and it certainly said that the Medicare system wasn't modern.

So I called upon Congress, and Congress acted, and I signed a bill that makes the Medicare system more modern to meet the needs of our seniors. Inherent in the reforms in that bill is giving seniors more options and more choices to choose from, which is a philosophy that I think you'll hear as we discuss what is available to help control costs. In other words, the more choices people have in health care, the more likely it is that costs will be under control.

Let me give you an interesting idea that I think small-business owners need to look at, and those are called health savings accounts—or individuals need to look at it, or families need to look at health savings accounts. A health savings account is basically a plan that says you buy a high-deductible catastrophic plan—in other words, you cover your first \$2,000 of medical expenses, and then the insurance kicks in after that—and that to cover the medical—routine medical expenses up to \$2,000, your business contributes tax-free into the plan, which is—and if you don't spend the 2,000—in other words, if you make right choices about how you live and what you put into your body; in other words, if you prevent disease by exercising on a daily basis, and there's money not spent in the account—you can roll it over from one year to the next tax-free. And as you withdraw the money, you can do so tax-free.

Now, the cost of the insurance for the high-deductible catastrophic plan is incredibly less expensive than the normal third-party payer system. And the savings on pre-

miums from that plan more than covers the incidental costs necessary until you get up to the deductible. That's a complicated way of saying, this works.

And I ask small-business owners to take a look at health savings accounts. Most of the working uninsured work for small-business owners, who are getting squeezed by the high cost of medicine. This is a way to be able to afford health care for your employees and, at the same time, put your employees in charge of the decisionmaking when it comes to health care.

One of the issues, in terms of the cost of health care, is the fact that many people have their health care decisions made by third-party payers. So, in other words, they're not really involved with the expenses and the expenditure of money. You show up, and the insurance company covers your costs. But you don't know what the costs are, and you're not involved in the decisionmaking. Health savings accounts, which will make life more affordable for employer and employee, really puts somebody in charge of the decisionmaking, and that in itself is part of how you control costs. If you're out there shopping for a better deal, it helps bring cost efficiencies into a system that needs cost efficiencies.

Another way to help people afford health care, particularly small businesses, is to allow small businesses to pool risk. Right now, if you're a restaurant in Ohio and a restaurant in Texas, you have to buy your insurance only within Ohio or only within Texas. I believe restaurants ought to be able to pool across jurisdictional boundaries so they can buy insurance at the same discount that big companies get to do. In other words, the more people you have in the—in your pool of people to insure, the less expensive insurance becomes. It makes sense, doesn't it? But the law prevents people from doing that now. So here are some practical ways to help with the cost of medicine.

Another practical way—and I want to thank the FDA for having responded to our call—is to get generic drugs to the market faster. Brandname drugs are protected by patent for a period of time to allow pharmaceutical companies to recoup their research and development. That makes sense, but

what doesn't make sense is the company's ability to delay the arrival of generic drugs. They do the exact same thing brandname drugs do, but they're far less expensive. And so, by speeding generic drugs to the market, we'll make pharmaceuticals more affordable to our seniors and take the pressure off our State budgets, which we are now in the process of doing.

But we're here to talk about another way to save health—save costs in health care, and that's information technology. Now look, most industries in America have used information technology to make their businesses more cost-effective, more efficient, and more productive, and the truth of the matter is, health care hasn't. I mean, health care has been fantastic in terms of technological change. I mean, you see these machines in these hospitals—compared to what life was like 10 years ago, things have changed dramatically.

And health care has got—we've got fantastic new pharmaceuticals that help save lives, but we've got docs still writing records by hand. And most docs can't write very well anyway, so—[laughter]. Can you? [Laughter]

And so the fundamental question is, how do we encourage information technology in a field like health care that will save lives, make patients more involved in decision-making, and save money for American people. That's what we're here to talk about.

And I've asked Dr. David Brailer to join us. When we started the process of encouraging information technology to spread throughout health care and setting the goal that there ought to be—every patient—every American ought to have a medical—electronic medical record within I think 7 years—7 years or 10 years?

Dr. David Brailer. Ten years.

The President. Ten years—yes, ten. I asked David—or I didn't ask David—Secretary Tommy Thompson asked David and told me he asked David to be in charge of the Federal effort to do what is necessary to reduce the obstacles and roadblocks to get electronic medical records into the hands of every citizen.

So I've asked David to join us to kind of help explain what I'm desperately trying to explain to you—[laughter]—in English—and

so that people understand why information technology can advantage our society.

Why don't you start, David?

[At this point, Dr. Brailer, National Health Information Technology Coordinator, Department of Health and Human Services, made brief remarks.]

The President. Yes, if you're in Florida—living in Ohio and you have to go down to Florida—my brother is the Governor, so I'm putting a plug there. [Laughter] But you go to Florida, you get in an automobile accident, an electronic medical record means your data to the doc in the emergency room is transmitted just like that, as opposed to calling somebody, getting them out of bed, could you please go find so-and-so's file, read somebody's file, and transmit the information. I mean, you can imagine, a speedy response to an emergency saves lives.

Go ahead, sorry. I just wanted to put a plug in there.

Dr. Brailer. It's okay, sir. [Laughter]

[Dr. Brailer made further remarks.]

The President. Well, thank you, sir. David, thanks. He's outlined kind of a national vision, a national strategy—which is being implemented from the ground up, by the way, not the top down. That's why we're here at the hospital, because they've implemented really interesting information technology here.

Let me just say one thing before we get to some docs who are on the frontline of change. One of the things we have to do in this society is to have a judicial system that's fair and balanced. And I couldn't help but think of these good folks who are practicing medicine and realizing that too many of their fellow citizens are leaving the practice of medicine because of junk lawsuits. This society needs to have balanced and fair law. And it is important for Members of Congress, Members of the United States Senate, to know that a unbalanced legal system, a system where the law is like a lottery when it comes to suing people in medicine, is driving good people out of practice. We need medical liability reform—now.

Anyway—Martin Harris. Martin, what do you do? Dr. Martin Harris—excuse me.

Dr. C. Martin Harris. I am a general internist, but I'm also the chief information officer for the Cleveland Clinic Foundation.

The President. That's pretty good. [Laughter]

Dr. Harris. It's a good combination; keeps me up.

The President. That's strong—[laughter]—a man of many talents.

[Dr. Harris made brief remarks.]

The President. You're doing good. Keep going. [Laughter]

Dr. Harris. All right. I do have one more. And I will point out to you that everything I'm talking about will be in place in Florida by July this year. [Laughter]

The President. Let me ask you something. I know you've got one more. I don't want to—I'm just sitting here thinking about, I'm sure people are out there saying, "I don't want my medical records floating around ether, so somebody can pick them up." I presume I'm like most Americans; I think my medical records should be private. I don't want people prying into them. I don't want people looking at them. I don't want people opening them up unless I say it's fine for you to do so. Explain how you—

Dr. Harris. Absolutely. So that is true, and it's true whether it's in electronic form or whether it's a piece of paper. We want to know that the record is secure and that it remains confidential. But information technology actually works perfectly to document that. If you left a medical record on paper in a room, how will you know who saw it? You can't know. When it's in electronic form, when anyone logs on to the system, we know. We know who they are. We know where they are. We know what they were looking at. And we can keep logs of all that information so that we can confirm for our patients that their information is secure.

The President. One more?

[Dr. Harris made further remarks.]

The President. See, what he's saying there is that these networks are beginning to grow, from the Cleveland Center out, and the fundamental question is, can the Cleveland Center's network talk to somebody else's network so that you can exchange infor-

mation? It's one thing to have information on a regional basis; we need to have it on a national basis so that information flows across our country. And that's what the interoperability means.

Listen, you did a fabulous job.

Dr. Harris. Thank you.

The President. Really good job.

Dr. Bob Juhasz. Dr. Juhasz, thank you for being here. What kind of doctor are you—besides a good one? [Laughter]

Dr. Robert Juhasz. I am a primary care/internal medicine physician.

[Dr. Juhasz, internist, The Cleveland Clinic, Concord Township, OH, made brief remarks, concluding as follows.]

Dr. Juhasz. And with the MyChart, it allows me to look at that laboratory information, be able to put a secure message to that patient about their laboratory data, and it sends them a secure message to say that you have something to look at in your MyChart site. They log on in a secure way to that site, and they're able to actually review their laboratory work, anything that they've had done previously, as well as my notes. They're also able, if they need to ask for a prescription refill or if they need to get a future appointment, they can do that. And for patients like Patty, that—

The President. Is Patty your patient?

Dr. Juhasz. Yes, she is.

Patricia McGinley. I'm the patient.

The President. Sometimes when we leave the doctor's office, we're wondering when you're going to get new magazine subscriptions. [Laughter] Anyway—

Dr. Juhasz. I try to make sure those are updated. [Laughter]

The President. Patty. Bob is your doctor?

Ms. McGinley. Yes, he is. He has been for 6 years.

The President. Looks like a fine man.

Ms. McGinley. He's a wonderful physician.

The President. By the way, before we get to Patty, just think how many Bobs there are in the world who have—who will go from writing and wondering and picking up files to an efficient system. And when that's—what he just described, the efficiency he just

described means he's saving time and, therefore, money for the patients. And when you multiply the efficiencies to be gained all across the spectrum, whether it be individual docs or hospitals or networks, that's why some predict that you can save 20 percent off the cost of health care as a result of the advent of information technology.

Patty.

Ms. McGinley. Yes, Mr. President.

The President. Welcome. I'm glad you're here. Thank you for coming.

Ms. McGinley. Thank you for having me.

The President. You look healthy to me, but I'm not a doctor. [*Laughter*]

[*Ms. McGinley made further remarks.*]

The President. You did a great job. I think one of the things that's interesting—what struck me about Patty's conversation was—is that—how liberated she feels through information and that I'm sure a lot of patients—and you probably can testify to this—are pretty nervous about dealing with doctors and the words and the diseases and all that stuff. And all of the sudden, the more educated you become, the more comfortable you become, not only about figuring out what's wrong but, more importantly, figuring out how to cure the problem.

And one of the—listen, information is a liberating tool. And it's liberating for a lot of parts of life, including health care. So thank you for sharing that.

Ms. McGinley. You're welcome.

The President. Jorge del Castillo. See. I'm Jorge, too. [*Laughter*]

Dr. Jorge del Castillo. It's a good name.

The President. That means George. [*Laughter*] He's Jorge D., I'm Jorge W. [*Laughter*] Anyway—so where do you work?

[*Dr. del Castillo, associate chief of emergency medicine, Evanston Northwestern Healthcare, Wilmette, IL, made brief remarks.*]

The President. How long has—have these medical records been available in your situation?

Dr. del Castillo. We deployed—we started in March of 2003. This March it will be 2 years. Interestingly enough, most of our physicians went into the electronic medical

records kicking and screaming, and now they can't live without it. It is—the system went down the other day for about 2 hours, and there were just complaints and cries of help and so on because you just cannot live without it. It is just one of the best things that can happen to the medical field.

The President. Yes, you see it's interesting, isn't it? I mean, they've only been in—have had this technology for 2 years. I mean, we're talking the beginning of, and—of a development in health care that is going to be lifesaving and costsaving and changing for the better. And that's what's so exciting about it. And I appreciate you sharing that with us.

Dr. del Castillo. My pleasure, sir.

The President. We've got one other doc here to talk to, Barth Doroshuk. Barth, where do you live?

Barth Doroshuk. I'm from Bethesda, Maryland, Mr. President.

The President. Right, yes, yes.

Mr. Doroshuk. Right next door to you.

The President. Within spitting distance of the Capital. [*Laughter*]

Mr. Doroshuk. Exactly.

The President. Give us a sense about you—actually, I'll introduce Barth. Barth is a—I wouldn't call you sole practitioner, but close to it.

Mr. Doroshuk. We have a very—we have a small practice in Washington, DC, and in Maryland. The Washington ENT Group provides ear, nose, and throat medicine and head and neck surgery to the regional area of the metropolitan DC area.

The President. And how many docs?

Mr. Doroshuk. And we have six doctors.

The President. So it's a relatively small practice.

Mr. Doroshuk. Small compared to the testimonies we've heard this morning already—four audiologists and a radiology technician because we do some X rays. And when we went into electronic medical records back in 2000, we were looking at starting the practice up, and we had a choice: Do we do it the way we've always done it, or do we move ahead? Is there technology that's there? Is it reliable enough? And is the

investment safe? And lo and behold, we decided to go ahead and implement a fully digital medical office, and we haven't looked back.

The President. Which, by the way, has got to be a pretty serious decision for a very small doctors' office. In other words, there's a lot of doctors out there saying, "I don't think I need this, and the cost-benefit ratio certainly doesn't justify me, the sole practitioner, or me operating with three or four other docs."

[Mr. Doroshuk, president and chief operating officer, Washington ENT Group, Bethesda, MD, made further remarks.]

The President. Is the cost-benefit—I mean, is it clear to you now that——

Mr. Doroshuk. It's very clear to us, very clear to us. When we opened up our second office, it was not even a factor.

The President. So in other words, it kind of defies the notion that there has to be economies of scale in order to benefit from IT—in other words, big hospitals with a lot of docs will benefit, but little docs won't be able to afford the costs. And it's very important for docs who are listening to this to understand that the cost-benefit is noticeable and real, and not only that, you're expanding as opposed to going out of business.

[Mr. Doroshuk made further remarks.]

The President. The role of the—thank you. Good job. The role of the Federal Government is to not only set the strategy but to spend grant money to encourage the development of regional hubs and to really get the process started. There will be a certain momentum that will be achieved once the cost-benefit becomes aware to everybody that's a practitioner. But the Government's role is to help best practices get started. We've sent out two Federal grants from HHS totaling \$3 million to Cleveland Clinic to help spur and spawn this fantastic technological development.

And one of the things that I'm excited about is that we're just beginning to learn about the great potential of information technology. And I think what you're witnessing is a dialog about—on a subject that is going

to change our lives for the better, and that's why I'm excited about it.

I thank our panelists for being here, for sharing your knowledge, your firsthand knowledge about what is possible, what's taking place. Imagine what the world is going to be like 10 years from now. I mean, what we're hearing today is just the beginning of substantial change, all aimed at improving people's lives and making sure that health care is as affordable as it can possibly be for every citizen.

I hope you've enjoyed this as much as I have. I have found it to be incredibly informative, and I want to thank our panelists once again for sharing their wisdom and knowledge.

God bless.

NOTE: The President spoke at 11:30 a.m. at the Intercontinental Cleveland Clinic Suite Hotel. In his remarks, he referred to Toby Cosgrove, chairman and chief executive officer, The Cleveland Clinic; and Gov. Bob Taft of Ohio.

Executive Order 13371— Amendments to Executive Order 13285, Relating to the President's Council on Service and Civic Participation

January 27, 2005

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to modify the mission and functions of the President's Council on Service and Civic Participation (Council) and to extend the Council, it is hereby ordered that Executive Order 13285 of January 29, 2003, is amended as follows:

Section 1. (a) Sections 2(a) and 2(b) of Executive Order 13285 are revised to read as follows: "(a) The mission and functions of the Council shall be to:

- (i) promote volunteer service and civic participation in American society;
- (ii) encourage the recognition of outstanding volunteer service through the presentation of the President's Volunteer Service Award by Council

- members and Certifying Organizations, thereby encouraging more such activity;
- (iii) promote the efforts and needs of local non-profits and volunteer organizations, including volunteer centers;
 - (iv) promote greater public access to information about existing volunteer opportunities, including via the Internet;
 - (v) assist with the promotion of Federally administered volunteer programs and the link that they have to increasing and strengthening community volunteer service; and
 - (vi) promote increased and sustained private sector sponsorship of and engagement in volunteer service.
- (b) In carrying out its mission, the Council shall:
- (i) encourage broad participation in the President's Volunteer Service Award program by qualified individuals and groups, especially students in primary schools, secondary schools, and institutions of higher learning;
 - (ii) exchange information and ideas with interested individuals and organizations on ways to expand and improve volunteer service and civic participation;
 - (iii) advise the Chief Executive Officer of the CNCS on broad dissemination, especially among schools and youth organizations, of information regarding recommended practices for the promotion of volunteer service and civic participation, and other relevant educational and promotional materials;
 - (iv) monitor and advise the Chief Executive Officer of the CNCS on the need for the enhancement of materials disseminated pursuant to subsection 2(b)(iii) of this order; and
 - (v) make recommendations from time to time to the President, through the Director of the USA Freedom Corps, on ways to encourage greater levels of volunteer service and civic participation by individuals, schools, and organizations."

Sec. 2. Section 4(b) of Executive Order 13285 is revised to read as follows: "(b) Unless further extended by the President, this order shall expire on January 29, 2007."

George W. Bush

The White House,
January 27, 2005.

[Filed with the Office of the Federal Register,
9:46 a.m., January 28, 2005]

NOTE: This Executive order was published in the *Federal Register* on January 31.

Memorandum on Determination To Authorize a Drawdown for Afghanistan

January 27, 2005

Presidential Determination No. 2005-19

Memorandum for the Secretary of State, the Secretary of Defense

Subject: Determination to Authorize a Drawdown for Afghanistan

Pursuant to the authority vested in me by the Constitution and laws of the United States, including section 202 and other relevant provisions of the Afghanistan Freedom Support Act (Public Law 107-327, as amended) and section 506 of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2318, I hereby direct the drawdown of up to \$88.5 million of defense articles, defense services, and military education and training from the Department of Defense for the Government of Afghanistan.

The Secretary of State is authorized and directed to report this determination to the Congress and to arrange for its publication in the *Federal Register*.

George W. Bush

Remarks at a Swearing-In Ceremony for Condoleezza Rice as Secretary of State

January 28, 2005

Thank you all for coming. Laura and I are honored to be here. Over the past 4 years,

America has benefited from the wise counsel of Dr. Condoleezza Rice and our family has been enriched by our friendship with this remarkable person. We love her. I don't know if you're supposed to say that about the Secretary of State. *[Laughter]*

Condi—appointment and confirmation of Secretary of State marks a remarkable transition in what is already a career of outstanding service and accomplishment.

Today also marks an opportunity to honor another career defined by service and accomplishment. Throughout a lifetime spent in public service, Colin Powell has asked nothing in return. For over four decades, millions at home and abroad have benefited from his bravery, his dignity, and his integrity. He's left our Nation a better place than it was when he began his career in public service as a second lieutenant in the United States Army. His magnificent wife, Alma, I am certain is pleased that a grateful nation is giving back her husband—*[laughter]*—and all of us admire and appreciate the service of Colin Powell.

I appreciate the fact that Justice Ruth Bader Ginsburg administered the oath. It was neighborly of her to do that. *[Laughter]* I want to thank Congresswoman Jane Harman from California for joining us, as well as Juanita Millender-McDonald from California. We're honored you both are here. Thanks for taking time to honor your fellow Californian, Condi Rice.

I see sitting between you two is a fine American in Andrew Young. Welcome, Andy. Thank you for coming. I shouldn't start going around the room heralding all the—*[laughter]*—accomplished souls who are here. I do want to thank members of the diplomatic corps for coming. I appreciate Your Excellencies taking time to honor Condi. I want to thank the distinguished guests and members—folks who work at the State Department for joining us as well. It's a good thing to come and honor your new boss—*[laughter]*—good diplomacy—*[laughter]*.

Colin Powell leaves big shoes to fill at the State Department, but Condi Rice is the right person to fill them. As National Security Adviser, she has led during a time when events not of our choosing have forced Amer-

ica to the leading edge of history. Condi has an abiding belief in the power of democracy to secure justice and liberty and the inclusion of men and women of all races and religions in the courses that free nations chart for themselves.

A few days from now, these convictions will be confirmed by the Iraqi people when they cast their ballots in Iraq's first free elections in generations. Sunday's election is the first step in a process that will allow Iraqis to write and pass a constitution that enshrines self-government and the rule of law. This history is changing the world, because the advent of democracy in Iraq will serve as a powerful example to reformers throughout the entire Middle East. On Sunday, the Iraqi people will be joining millions in other parts of the world who now decide their future through free votes.

In Afghanistan, the people have voted in the first free Presidential elections in that nation's 5,000-year history. The people of Ukraine have made clear their own desire for democracy. The Palestinians have just elected a new President who has repudiated violence. Freedom is on the march, and the world is better for it.

Widespread hatred and radicalism cannot survive the advent of freedom and self-government. Our Nation will be more secure, the world will be more peaceful as freedom advances. Condi Rice understands that. And the terrorists understand that as well, and that is why they are now attacking Iraqi civilians in an effort to sabotage elections. We applaud the courage of ordinary Iraqis for their refusal to surrender their future to these killers.

No nation can build a safer and better world alone. The men and women of the State Department are doing a fine job of working with other nations to build on the momentum of freedom. I know our Nation will be really well served when the good folks at the State Department join with Condi Rice to face the many challenges and opportunities that lie ahead. In the coming months and years, we must stop the proliferation of dangerous weapons and materials. We must safeguard and expand the freedom of international marketplace and free trade. We must advance justice and fundamental

human rights. We must fight HIV/AIDS and other diseases and reduce poverty.

Each task will require good relations with nations around the world, and each will require a Secretary who will lead by character and conviction and wisdom. To meet these times and tasks, America has its best in Dr. Condoleezza Rice, now Secretary Condoleezza Rice, our 66th Secretary of State.

NOTE: The President spoke at 9:58 a.m. at the Department of State. In his remarks, he referred to former U.S. Ambassador to the United Nations Andrew Young; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Rice.

Remarks to the “Congress of Tomorrow” Luncheon in White Sulphur Springs, West Virginia

January 28, 2005

The President. Thank you all. Please be seated.

Deborah, thanks for the kind introduction. I’m kind of warming up for the State of the Union—[laughter]—some verbal jumping jacks. Thanks for letting me come by. I’m going to have a few remarks, then I’ll answer questions for a while.

Mr. Speaker, thank you for your leadership. Thank you for your friendship. This country has had no better Speaker than Denny Hastert.

Appreciate Senator Ted Stevens—thank you for your tenure and your leadership as well. I’m glad you’re here. I thank my friend from the great State of Texas Tom DeLay for his leadership. I appreciate you, Mr. Leader. Mitch McConnell, the Senate majority whip—Senator McConnell, thank you, sir, appreciate you. Congressman Blunt, the House whip. Thank you, Congressman, glad you’re here, appreciate you. How is your son doing?

Representative Roy Blunt. He’s doing great.

The President. Good, huh?

Representative Blunt. He’s taking a page out of your book.

The President. Yes, I like a guy who follows in his father’s footsteps. [Laughter]

Senator Kyl, who’s the chairman of the Republican policy committee—thank you, sir. Deborah Pryce, who you know, and Rick Santorum—thank you both for organizing this event. Thank the members of my Cabinet who are here, John Snow and Josh Bolten. I’m looking forward to working with you.

As you know, David Hobbs has handled legislative affairs for my administration for a couple of years. He’s worked very closely with the leadership and the Members of both the House and the Senate. He has decided to move on. He will be replaced by Candi Wolff. I know you look forward to working with Candi. She is a fine soul. And we’re going to miss David Hobbs, and I appreciate him for his—I appreciate his long service.

A couple points I’d like to make. First, I think we’ve proven to the country we know how to set an agenda and work together to achieve it. In other words, people ought to view this team we’ve put together, the relationship between the executive branch and the legislative branch, as people who are—come to Washington, DC, to solve problems. And we have done so over the last 4 years, and we will continue to do so for the next 4 years.

I look forward to addressing the Nation. I will remind the country we’re still at war. And I want to thank the Congress for providing the necessary support for our troops who are in harm’s way. I will also tell the people once again that I strongly believe that the way to defeat hatred and terrorism is to spread freedom. And I believe everybody in the world deserves to be free.

I look forward to discussing ways to keep this recovery going so people can find work. I look forward to talking to the country about the need to address big reforms like Social Security. I will continue to articulate the faith-based agenda, the compassion agenda so that people can find hope in our country. I’ll remind the people we’re a great nation. We can achieve anything we set our mind to. And I will tell them like I’m telling you, it’s such an honor to be the President of the United States.

Thank you for letting me come. I look forward to answering your questions.

NOTE: The President spoke at 1:06 p.m. at the Greenbrier. In his remarks, he referred to Gov. Matt Blunt of Missouri, son of Representative Roy Blunt. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

January 22

In the morning, the President had an intelligence briefing.

In the evening, at the Capitol Hilton Hotel, the President and Mrs. Bush attended the Alfalfa Club Dinner.

January 23

In the morning, the President traveled to Camp David, MD.

January 24

In the morning, the President had an intelligence briefing.

In the afternoon, the President returned to Washington, DC.

The White House announced that the President will host a working dinner for President Jacques Chirac of France in Brussels, Belgium, on February 21.

The President announced his intention to nominate Michael Jackson to be Deputy Secretary of Homeland Security.

The President announced his designation of the following individuals as members of the Presidential delegation to Poland to attend the 60th Anniversary of the Liberation of Auschwitz-Birkenau: Vice President Dick Cheney (head of delegation); Lynne Cheney; Victor Ashe; Representative Tom Lantos; Annette Tillemann Lantos; Feliks Bruks; Deborah Lipstadt; Fred Schwartz; and Elie Wiesel.

January 25

In the morning, the President had a telephone conversation with Prime Minister Ayad Allawi of the Iraqi Interim Government to discuss the upcoming elections in Iraq. He then had an intelligence briefing.

In the afternoon, in Room 350 of the Dwight D. Eisenhower Executive Office Building, the President met with African American leaders and pastors. Later, he participated in an interview with the Boston Herald.

Later in the afternoon, in the Cabinet Room, the President met with Republican Members of the Senate Finance Committee and Senate Republican leadership to discuss Social Security and other legislative priorities.

In the evening, the President met with the Joint Chiefs of Staff and combatant commanders. He then hosted a dinner for them and their spouses on the State Floor.

January 26

In the morning, the President had separate telephone conversations with President Luiz Inacio Lula of Brazil and King Juan Carlos I of Spain. He then had an intelligence briefing.

Later in the morning, the President traveled to Bethesda, MD.

In the afternoon, the President returned to Washington, DC. Later, in the Cabinet Room, he met with members of the Congressional Black Caucus.

Later in the afternoon, in the Residence, the President met with Republican Members of the House Ways and Means Committee and House Republican leadership to discuss Social Security and other legislative priorities.

In the evening, the President had a telephone conversation with Secretary-General Kofi Annan of the United Nations to discuss the upcoming elections in Iraq.

January 27

In the morning, the President had a telephone conversation with President Ghazi al-Ujayl al-Yawr of the Iraqi Interim Government to discuss the upcoming elections and security situation in Iraq. He then had an intelligence briefing.

Later in the morning, the President traveled to Cleveland, OH, where, upon arrival, he met with USA Freedom Corps volunteer T.J. Powell. Later, at The Cleveland Clinic, he viewed a demonstration of health care information technology.

In the afternoon, the President returned to Washington, DC. Later, he participated in an interview with the New York Times. He then participated in an interview with Brian Lamb of C-SPAN.

January 28

In the morning, the President had an intelligence briefing. Later, he traveled to White Sulphur Springs, WV, arriving in the afternoon.

Later in the afternoon, the President returned to Washington, DC.

The President announced his intention to appoint Brig. Gen. Jack Nicholson, USA (Ret.), as Secretary of the American Battle Monuments Commission.

The President announced his intention to appoint Ronald A. Faucheux and Daron R. Shaw as members of the National Historical Publications and Records Commission.

The President announced his intention to designate Peter Lichtenbaum as Acting Under Secretary of Commerce for Export Administration.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted January 24

David A. Balton,
of the District of Columbia, for the rank of Ambassador during his tenure of service as Deputy Assistant Secretary of State for Oceans and Fisheries (new position).

Stephen Thomas Conboy,
of Virginia, to be U.S. Marshal for the Superior Court of the District of Columbia for

the term of 4 years, vice Todd Walther Dillard.

Joseph R. DeTrani,
of Virginia, for the rank of Ambassador during his tenure of service as Special Envoy for the Six Party Talks (new position).

John Thomas Schieffer,
of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

Michael Butler,
of Tennessee, to be a member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for a term expiring October 6, 2008, vice Eric D. Eberhard, term expired.

James William Carr,
of Arkansas, to be a member of the National Security Education Board for a term of 4 years, vice Manuel Trinidad Pacheco, term expired.

Harold Damelin,
of Virginia, to be Inspector General, Department of the Treasury, vice Jeffrey Rush, Jr., resigned.

George M. Dennison,
of Montana, to be a member of the National Security Education Board for a term of 4 years, vice Bruce Sundlun, term expired.

Thomas C. Dorr,
of Iowa, to be Under Secretary of Agriculture for Rural Development, vice Jill L. Long, resigned.

Thomas C. Dorr,
of Iowa, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Jill L. Long, resigned.

Edward L. Flippen,
of Virginia, to be Inspector General, Corporation for National and Community Service, vice J. Russell George.

Peter Cyril Wyche Flory,
of Virginia, to be an Assistant Secretary of Defense, vice Jack Dyer Crouch II.

Thomas A. Fuentes,
of California, to be a member of the Board
of Directors of the Legal Services Corpora-
tion for a term expiring July 13, 2005, vice
Thomas F. Smegal, Jr., term expired.

Carolyn L. Gallagher,
of Texas, to be a Governor of the U.S. Postal
Service for a term expiring December 8,
2009, vice Louis J. Giuliano.

Louis J. Giuliano,
of New York, to be a Governor of the U.S.
Postal Service for a term expiring December
8, 2005, vice Carolyn L. Gallagher.

Louis J. Giuliano,
of New York, to be a Governor of the U.S.
Postal Service for a term expiring December
8, 2014 (reappointment).

A. Wilson Greene,
of Virginia, to be a member of the National
Museum and Library Services Board for a
term expiring December 6, 2009 (reappoint-
ment).

Floyd Hall,
of New Jersey, to be a member of the Reform
Board (Amtrak) for a term of 5 years, vice
Amy M. Rosen, term expired.

Tony Hammond,
of Virginia, to be a Commissioner of the Post-
al Rate Commission for a term expiring Octo-
ber 14, 2010 (reappointment).

William Hardiman,
of Michigan, to be a member of the Board
of Directors of the National Institute of
Building Sciences for a term expiring Sep-
tember 7, 2006, vice H. Terry Rasco, term
expired.

D. Jeffrey Hirschberg,
of Wisconsin, to be a member of the Broad-
casting Board of Governors for a term expir-
ing August 13, 2007 (reappointment).

Nadine Hogan,
of Florida, to be a member of the Board of
Directors of the Inter-American Foundation
for a term expiring June 26, 2008, vice Frank
D. Yturria, resigned.

Howard J. Krongard,
of New Jersey, to be Inspector General, De-
partment of State, vice Clark Kent Ervin.

Daniel R. Levinson,
of Maryland, to be Inspector General, De-
partment of Health and Human Services,
vice Janet Rehnquist, resigned.

Luis Luna,
of Maryland, to be an Assistant Administrator
of the Environmental Protection Agency,
vice Morris X. Winn.

Andrew J. McKenna, Jr.,
of Illinois, to be a member of the National
Security Education Board for a term of 4
years, vice Robert N. Shamansky, term ex-
pired.

Ronald E. Meisburg,
of Virginia, to be a member of the National
Labor Relations Board for the term of 5 years
expiring August 27, 2008, vice Rene Acosta,
resigned.

Brian David Miller,
of Virginia, to be Inspector General, General
Services Administration, vice Daniel R.
Levinson.

Pamela Hughes Patenaude,
of New Hampshire, to be an Assistant Sec-
retary of Housing and Urban Development,
vice Romolo A. Bernardi.

Buddie J. Penn,
of Virginia, to be an Assistant Secretary of
the Navy, vice H.T. Johnson.

George Perdue,
of Georgia, to be a member of the Board
of Trustees of the James Madison Memorial
Fellowship Foundation for a term expiring
November 5, 2006, vice Carroll A. Campbell,
Jr., term expired.

Bernice Phillips,
of New York, to be a member of the Board
of Directors of the Legal Services Corpora-
tion for a term expiring July 13, 2005, vice
Maria Luisa Mercado, term expired.

Jorge A. Plasencia,
of Florida, to be a member of the Advisory Board for Cuba Broadcasting for a term expiring October 27, 2006, vice Joseph Francis Glennon, term expired.

Craig T. Ramey,
of West Virginia, to be a member of the Board of Directors of the National Board for Education Sciences for a term of 2 years (new position).

D. Michael Rappoport,
of Arizona, to be a member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for a term expiring October 6, 2008 (reappointment).

Maj. Gen. Don T. Riley, USA,
to be a member and President of the Mississippi River Commission.

David B. Rivkin, Jr.,
of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 2007, vice Laramie Faith McNamara.

Harry Robinson, Jr.,
of Texas, to be a member of the National Museum and Library Services Board for a term expiring December 6, 2008 (reappointment).

Ronald Rosenfeld,
of Oklahoma, to be a Director of the Federal Housing Finance Board for the remainder of the term expiring February 27, 2009, vice John Thomas Korsmo, resigned.

Charles P. Ruch,
of South Dakota, to be a member of the Board of Trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation for a term expiring August 11, 2010, vice Niranjana Shamalbhai Shah, term expired.

Kiron Kanina Skinner,
of Pennsylvania, to be a member of the National Security Education Board for a term of 4 years, vice Herschelle S. Challenor.

Thomas V. Skinner,
of Illinois, to be an Assistant Administrator of the Environmental Protection Agency, vice John Peter Suarez, resigned.

Jay T. Snyder,
of New York, to be a member of the U.S. Advisory Commission on Public Diplomacy for a term expiring July 1, 2007 (reappointment).

Enrique J. Sosa,
of Florida, to be a member of the Reform Board (Amtrak) for a term of 5 years, vice Linwood Holton, term expired.

Katina P. Strauch,
of South Carolina, to be a member of the National Museum and Library Services Board for a term expiring December 6, 2009, vice Elizabeth J. Pruet, term expired.

Kenneth Y. Tomlinson,
of Virginia, to be a member of the Broadcasting Board of Governors for a term expiring August 13, 2007 (reappointment).

Kenneth Y. Tomlinson,
of Virginia, to be Chairman of the Broadcasting Board of Governors (reappointment).

Jack Vaughn,
of Texas, to be a member of the Board of Directors of the Inter-American Foundation for a term expiring September 20, 2006, vice Patricia Hill Williams, resigned.

Raymond Thomas Wagner, Jr.,
of Missouri, to be a member of the Internal Revenue Service Oversight Board for a term expiring September 14, 2009 (reappointment).

Roger W. Wallace,
of Texas, to be a member of the Board of Directors of the Inter-American Foundation for a term expiring October 6, 2008, vice Fred P. DuVal.

Allen Weinstein,
of Maryland, to be Archivist of the United States, vice John W. Carlin.

John Paul Woodley, Jr.,
of Virginia, to be an Assistant Secretary of the Army, vice Michael Parker.

**Checklist
of White House Press Releases**

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released January 24

Statement by the Press Secretary: Meeting in Brussels With French President Jacques Chirac

Released January 25

Transcript of a press briefing by Press Secretary Scott McClellan

Released January 26

Fact sheet: President Bush's Plan To Make Health Care More Affordable

Released January 27

Transcript of a press gaggle by Press Secretary Scott McClellan

Fact sheet: Improving Care and Saving Lives Through Health IT

Released January 28

Transcript of a press gaggle by Press Secretary Scott McClellan

**Acts Approved
by the President**

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.